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ABSTRACT

Hearings held before the U.S. House Subcommittee on Postsecondary Education regarding reauthorization of the Higher Education Act and related measures are presented. Areas of focus include the student loan programs, the Guaranteed Student Loan Program and the National Direct Student Loan Program, and proposals to improve or replace those programs. Other topics of consideration are the Community Service and Continuing Education Program, authorized by Title I of the Higher Education Act, and issues related to Title IV, student assistance. The needs of the adult learner from a New York perspective are also examined. It is suggested that the Higher Education Act must adapt itself to the changing demographics of the American student population, and that federal programs must be responsive to increased numbers of students in the 30- to 55-age range. Barriers to access by adult learners to higher education are considered. (SW)

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REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

Part 9

HEARINGS

BEFORE THE

SUBCOMMITTEE ON POSTSECONDARY EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR HOUSE OF REPRESENTATIVES

NINETY-SIXTH CONGRESS

FIRST SESSION

HEARINGS HELD IN OSHKOSH, WIS., AUGUST 3; BURLINGTON, VT., AUGUST 10; AND DOBBS FERRY, N.Y., SEPTEMBER 8, 1979

Printed for the use of the Committee on Education and Labor

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REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

Part 9

FRIDAY, AUGUST 3, 1979

House of Representatives,
Subcommittee on Postsecondary Education,
Committee on Education and Labor,
Oshkosh, Wis.

The subcommittee met, pursuant to call, at 9:30 a.m., in meeting room 221, Reeve Memorial Union, the University of Wisconsin-Oshkosh, Congressman Simon of Illinois (chairman), presiding.

Members present: Representatives Simon and Petri.

Staff present: Thomas R. Wolanin, staff director; William C. Clohan, minority assistant education counsel.

Mr. Simon. The Subcommittee on Postsecondary Education will come to order. The purpose of this hearing is for the purpose of continuing hearings on the reauthorization of the Higher Education Act and related measures.

I am particularly pleased to convene in Oshkosh the fifth field hearing among the 30 days of hearings that have been held on the reauthorization that is now pending in Congress.

Let me simply add that as a resident of your neighboring State of Illinois that it is good to be here. It is good to see the mayor of Oshkosh here and other dignitaries.

I might add that my father grew up on a dairy farm near Bonduel, Wis. Some of you know where that is or may know. My father to his dying day believed that the two greatest Americans who ever lived were Abraham Lincoln and old Bob LaFollette. So he was a true resident of Wisconsin in spirit as well as in name.

Congressman Bill Ford, Michigan, who is the chairman of this subcommittee, and who has been doing an exceptionally fine job, asked me to express his regrets that because of other business he could not be here. He will be reviewing the record.

Our focus this morning will be the student loan programs, the guaranteed student loan program and the national direct student loan program, and proposals to improve or replace those programs.

The NDSL program was created by the National Defense Education Act of 1958, and it is the oldest of our Federal student financial aid programs. Loans are made to students on the basis of need by schools using 90 percent Federal capital. Students repay the loans with 3-percent interest.

Since 1958 the NDSL program has provided nearly $6 billion in loans to more than 5 million students.

The guaranteed student loan program was created by the Higher Education Act of 1965. Loans are made to students primarily by commercial lenders using private capital. In 40 States, including Wisconsin, the loans are guaranteed through State guarantee agencies and the Federal Government reinsures the loans against default, death or disability of the borrower. In the remaining States, the Federal Government insures the loans directly. The Federal Government also pays the student's 7 percent interest while the student is in school, as well as paying a special allowance to the lender to make these loans as attractive as other lending opportunities.

With the passage of the Middle Income Student Assistance Act, all students, regardless of their family income, became eligible for the in-school interest subsidy.

Since 1965, the guaranteed student loan program has provided approximately 12 million loans with a total value of $14 billion to students.

In addition to proposals to modify these existing programs, there are two proposals before the subcommittee to make dramatic and fundamental changes in the Federal student loan programs.

On July 19 the subcommittee received the long-awaited recommendations of the administration and on July 30, just a couple of days ago, Senator Kennedy and Senator Bellmon testified before our committee on their proposal for a national student loan format. Hearings have been held by the subcommittee on both of these proposals.

Our witnesses this morning include students, education administrators, representatives of lending institutions, postsecondary institutions, and the State guarantee agency.

Before calling on our first panel of witnesses, I would like to, first of all, introduce the staff people who are with us, Tom Wolanin and Bill Clohan.

I would call on my new colleague from Wisconsin. This area was ably served for a long time by Bill Steiger, with whom it was my privilege to serve, and we have learned that his successor, Tom Petri, is a hard-working and responsible Member of the House. It is a pleasure to have him on our committee and our subcommittee.

I welcome any additional remarks that you may wish to make at this point.

Mr. Petri. Thank you, Mr. Chairman.

Before I make my remarks, I would like to recognize Ken Schiefelbein, the mayor of Oshkosh. I think he wants to welcome the committee here to the city, just briefly.

Mr. Simon. Mr. Mayor, the floor is yours.

STATEMENT OF KEN SCHIEFELBEIN, MAYOR, CITY OF OSHKOSH, WIS.

Mayor Schiefelbein. Thank you very much. I don't want to take up too much of your time. I just want to say welcome to all these people who have come to Oshkosh, our fair city. We are very happy to have you here today. We hope you enjoy our town and come back soon.

I did want to take this occasion to welcome Congressman Paul Simon and give him a special tribute from our city. It isn't every day that the city of Oshkosh has a visiting Congressman. I think it would be appropriate to give him the key to the city. Since he is going to be opening up some of the minds and thoughts of the people in Oshkosh today on how they feel about the loan programs for students, I thought maybe it would be appropriate that we show him that the city of Oshkosh is open to him at any time for any purpose. Therefore, I would like to give this token of appreciation to Congressman Simon at this time and hope that he comes back to Oshkosh soon, as his father did when he was here in Bonduel.

Mr. SIMON. Thank you very, very much.

Let me add that you have a mayor whose last name fits in perfectly with what my image of Oshkosh, Wis., would be like.

STATEMENT OF HON. THOMAS E. PETRI, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN

Mr. PETRI. Mr. Chairman, I would like to take this opportunity to welcome you and the other visitors here to Oshkosh this morning to the Sixth Congressional District. As a new Member of Congress, I am honored and privileged to host a hearing of the Subcommittee on Postsecondary Education in my own congressional district.

I should add that this is the third of three hearings that the subcommittee has had in the last few days on that subject; the other two being in Washington. Yesterday Senator Kennedy testified before the committee and today we are here in Oshkosh to hear people who have direct operational experience with the existing student loan program.

I also would like to particularly thank Congressman Simon, the distinguished chairman of the Subcommittee on Select Education, for coming to Oshkosh to participate in this hearing. The educational community is certainly well aware of his many contributions to the improvement of education in the United States. In fact, he is planning on spending a good portion of the rest of the month of August completing work on a book about the need for greater foreign language education in our American school systems.

I also would like to thank Chancellor Penson for making available the facilities and resources of the university so that we could have a successful hearing.

Today's hearing is a significant one in the reauthorization process of the Higher Education Act. Hearings on the program authorized by the Higher Education Act began on March 20. Since that time, we have had almost 30 hearings, many of which have been on today's subject, the loan programs.

Today's hearing is very important for several reasons. First, we will discuss the reauthorization of the two largest Federal loan programs, the national direct student loan programs and the guaranteed student loan program. In the direct loan program, loans are made to financially needy students by participating schools from revolving funds established by Federal and institution contributions. Each institution is responsible for managing the funds, making loan awards and determinations of student need, and then servicing and collecting the loans. In the guaranteed student loan program, loans are made by commercial lenders and schools and State agencies using private or public capital.

In the last fiscal year, almost $1.3 billion in Federal funds were appropriated for these two student loan programs. Certainly in spite of the success of both programs there are many problems which need to be corrected.

As Chairman Simon pointed out in his opening remarks, the administration has proposed a complete restructuring of both of these programs. Senator Kennedy has made somewhat similar suggestions, as have others. I am looking forward to hearing the comments of each of the witnesses, not only on the administration's recommended proposal, but on the Kennedy-Bellmon proposal, the Maguire proposal and, of course, on the existing programs.

In closing, I would like once again to underline the importance of this hearing. The loan program is the single most controversial issue in the reauthorization of the Higher Education Act. Likewise, the Higher Education Act is the single largest and most important bill to be considered by the Education and Labor Committee during the 96th Congress. This is the last hearing on the loan programs. Therefore, I am hopeful that many of the recommendations made this morning will be considered very closely by this subcommittee and by the House of Representatives.

I would like to add finally, that we have invited eight people and three panels to formally testify, but if there are others who have come and who would like to informally testify at the conclusion of the formal hearing, they can check with the staff people at the door and leave their name and address and they will be called on to testify informally following the testimony by the three panels in the formal session of this hearing.

Mr. Simon. Thank you.

Let me just add for these witnesses, and for any others, while specifically we are interested in the student loan program, right now, any comments that anyone might wish to add to any other aspect of the reauthorization of the Higher Education Act we would welcome any comments that you might have.

Mr. Petri. One thing, too, the formal record will be held open for about 3 weeks. If there are any written statements that you would like to introduce and have included in the formal record for review by people in the Department or the committee staff, as well as committee members, that opportunity will be available.

Mr. Simon. I would add that that would also mean if we have some questions that we don't have answers for, if you could, supply those within that 3 weeks so that they can get into the record. That would be helpful.

Our first panel is a panel of administrators, Dr. Edward Penson, the chancellor of the University of Wisconsin—Oshkosh.

I couldn't help but notice that you have a bust of Abraham Lincoln here to help welcome an Illinois citizen to this area.

We have also the president of Ripon College, Dr. Bernard Adams; and Robert Sorenson, director, State Board of Vocation, Technical, and Adult Education, from Madison.

Incidentally, if you have a formal statement, you may wish to just enter those into the record and speak informally. If you want to go ahead and read your statement, that is fine. You may proceed however you wish to proceed.

Dr. Penson.

STATEMENT OF EDWARD PENSON, CHANCELLOR, UNIVERSITY OF WISCONSIN, OSHKOSH, WIS.

Dr. PENSON. Thank you, Mr. Chairman and Congressman Petri.

My name is Edward Penson. I am chancellor of the University of Wisconsin—Oshkosh.

Accompanying me this morning is Mr. Kenneth Cook, UW—Oshkosh director of financial aid. He is prepared to join me in responding to questions, if it should please the subcommittee.

It is a pleasure to appear before you today and to have the opportunity to discuss the impending reauthorization of the student assistance provisions of the Higher Education Act.

We would like to present our testimony today in two parts. First, some proposals for the reauthorization of title IV student loan programs; and, second, responses to the administration's recently offered loan proposals.

The present Federal student loan composite of programs, in our opinion, is essentially a sound one. The national direct student loan program has been the foundation, at least chronologically, of all Federal aid designed to meet the financial needs of students. To this need-based loan was added a loan of convenience and flexibility with the introduction of the federally insured guaranteed student loan. With full funding and proper management, these two programs will meet the needs of most students under most conditions.

We are aware that NDSL and GSL have been subjected to criticism for several years. This now leads to a paradox. On the one hand, these current programs have finally benefited from the considerable effort on the part of institutions, lenders, and more recently the Office of Education, all of which has resulted in a gradual emergence of a relatively effective loan program. On the other hand, and at the same time, we belatedly have several proposals put forward to replace the now workable programs with massive new and untried ones.

The present student loan structure does have some flaws, but they are amendable to correction. We would like to propose what we feel are helpful changes.

1. Currently legislated incentives and penalties to assure due diligence and treatment of default in the NDSL program are already in place and are now working through enforcement by the Office of Education. The current default rate in NDSL has been too high, but not uniformly so. Default rate can be reduced within the current system.

2. State guarantee agencies can be used by USOE as vehicles for coordination of both GSL and NDSL billing and collection efforts by lenders. Historically, the defaulting rate for loans insured by State agencies is much less than for federally insured loans. The National Council for Higher Education Loan Programs reports that the default rate for programs insured directly by the Federal Government is between 18 and 24 percent, and for those insured by State agencies it is 7 to 9 percent.

3. The present ambiguity with respect to whether or not institutions and States have the necessary legal grounds for the use of IRS information must be minimized so that skip tracing for both NDSL and GSL can move forward without impediment.

4. Increases in loan limits, both for NDSL and GSL, are needed as educational costs rise. Such increases should be made cautiously. We fear that precipitous, large-scale increases will encourage excessive reliance on long-term student indebtedness. We recommend that levels for NDSL currently with yearly limits of $2,500 for undergraduates, and $5,000 for graduates, aggregate limits of $5,000 and $10,000, and GSL currently with yearly limits of $2,500 and $5,000, and aggregate limits of $7,500 and $15,000, be increased by no more than 25 percent. We also recommend elimination of the 2-year limit for NDSL, current at $2,500.

5. There is a need to generate more capital for lending and to meet the realities of the money market. The interest rates for these programs are substantially less than for other types of loans, and thereby provide a subsidy to the student. The in-school forgiveness of interest in both programs constitutes another subsidy. Therefore, we would recommend consideration of increasing the interest rate for national direct loans from 3 to 7 percent and the interest rate for guaranteed loans from 7 to 9 percent.

6. In cases of hardship, we believe there should be an extended repayment period of up to a total of 15 years. This would provide up to 5 years of relief beyond the current 10-year limit. Experience has shown that this could be both helpful and encouraging in hardship cases.

7. We suggest that cancellations of NDSL principal and interest as a reward for teaching should be eliminated. There would appear to be no need to provide incentives to candidates for teaching positions.

8. The half-cost restriction for freshmen borrowers of school-made or school-originated loans should be repealed. Such lenders of last resort often are the only source of student assistance. That last chance should not be curtailed by this restriction.

9. There is still a need for Congress to authorize and appropriate funds for an institutional administrative allowance for the GSL program. A $10 per loan allowance seems appropriate.

10. Part-time student enrollment, particularly enrollment of older adults, is increasing. There is a need for loan funds for such students. Therefore, the guaranteed student loan should be made available to students who are less than halftime, with a loan limit of the cost of tuition, fees, books, and supplies.

Members of the subcommittee, we have stated that we believe the present Federal student loan system, with modifications, is adequate. At the same time, we realize that the administration has proposed a drastically changed system. It is likely that the Congress will give very serious consideration to the administration's proposal whether or not it resembles the Kennedy-Bellmon proposal.

In this second section of our testimony, we would like to discuss certain aspects of the administration's proposal.

1. The basic loan would be available to needy undergraduate and graduate students except for graduate students in health professions, law, and business. Because we are aware of the availability of health professions loans, we understand that exclusion. We do not, however, understand or accept the law and business exclusions. Our needy and

deserving graduate students in business would be unfairly penalized by that section, and others would be penalized if they pursued the study of law.

2. Basic loans would be limited to net need, that is, costs less family contribution, grants, and a $700 self-help component. We think it would be unwise to set a specific self-help amount in statute. A more easily adjusted regulation seems more appropriate.

3. While we recognize the need for increasing loan limits, educational costs are going up, we again urge caution in raising the ceilings. We do not discount totally a possible causal relationship between increased loan limits and subsequent tuition increases. Nor do we accept the premise that most of the increased cost of education should be passed to the student. Further, we should avoid, as we had indicated earlier, encouraging excessive reliance on long-term indebtedness.

4. Less confusion will result if there is a set interest rate for the borrower in the basic loan program. We would argue against the administration's variable interest rate proposal which calls for 7 percent or the Treasury bill rate minus 1 percent, whichever is less.

5. We think that graduate students, as well as undergraduates, should benefit from the in-school forgiveness of interest, the administration would eliminate graduate students from in-school forgiveness. Many graduate students all over the country attend graduate school under struggle conditions.

6. The concept of a single Federal agency responsible for the centralized billing and collection of loans is somewhat unsettling to us. The size and complexity of the task do not suggest the creation of one monolithic agency. The need for accessibility, feasibility, and presence, would seem to urge college and university or State administration of the program.

7. In the supplemental loan proposal, we object to the variable interest charge as being too confusing to borrowers. We would recommend instead that the lender's special allowance be variable, based upon the money market, as is currently the case with the guaranteed student loan program.

8. While we do approve of an extended repayment period, even over the current limit of 10 years in cases of hardship, we do not think that the granting of the extension should be totally at the discretion of the lender. While a definition of "hardship" is not recommended, we do think that a borrower who requests an extension for hardship should be able to appeal to the guarantee agency or a Federal office if the request is denied by the lender.

This concludes our recommendations. Allow me to again express my appreciation for the opportunity to appear at this hearing and to share our views with the subcommittee members and staff.

We will be glad to respond to any questions you might have.

Thank you.

Mr. SIMON. Thank you very much, Dr. Penson.

I think we will go ahead and hear from all three members of the panel. Then we will have questions for the three of you.

President Adams.

STATEMENT OF BERNARD S. ADAMS, PRESIDENT OF RIPON COLLEGE

Mr. ADAMS. Thank you very much, Mr. Chairman.

As the chairman has indicated, my name is Bernard Adams and I am the president of Ripon College. I am a kind of a representative, I assure you, strictly without portfolio for independent higher education.

It might be helpful for the subcommittee to know the extent of one rather small private college's financial aid program, with sources spreading quite literally across the country and across the public and private sources, the sources for those financial aid programs.

I will summarize very quickly some of the things that were in my prepared testimony, which reports on one small college's use of financial aid programs.

Last year we had an enrollment of 923 students; 68 percent, 628 of those 923 were recipients of financial aid from all sources. The total aid awarded to students at one small private college amounted to $2,042,318, an average award of $3,252 per student.

With regard to gift aid, scholarships and grants, Ripon last year provided $650,399 from its own budget for 499 of its 923 students. Wisconsin's tuition grant and talent incentive programs provided $336,338, also in gift aid. BEOG's this last year brought $136,824 in Federal gift aid to our students, and SEOG's brought $67,335.

With regard to loans and academic year employment, Ripon had available last year $663,367, which aid went to 475 of our 923 students.

With regard to the Federal loan programs, last year 205 of our students received NDSL loans amount to $186,929; 179 students received guaranteed loans amounting to $528,033; and 94 students were on college work-study and earned $45,855.

This, then, is the extent of one small college's participation in financial aid programs nationwide.

The 433 students who received last year BEOG's, SEOG's, NDSL's, guaranteed loans or work-study funds amount to 47 percent of our 923 student enrollment.

Let me now address myself to the federally sponsored student loan programs. In preparing this testimony, I had access to the testimony provided earlier to the subcommittee by the National Association of Student Financial Aid Administrators, NASFAA. These are the real pros in student financial aid administration. I would certainly urge the subcommittee to consider most seriously the recommendations of that organization.

I confess, however, to a certain amount of surprise when I first noted that NASFAA had supported changes in the NDSL and GSL legislation that are "primarily technical in nature," and that NASFAA had urged "continuation of the two programs in their existing basic structures." Both NASFAA and I, in reviewing the experience in student loan programs nationwide, have come to understand some of the major problems I am sure that the NASFAA proposals for improvements and those presented by Chancellor Penson will represent some degree of correction of those perceived programs.

I believe, however, that several of the new programs proposed by the Congress, and by the administration, hold somewhat greater promise for student loan activities on behalf of students, on behalf of parents, and on behalf of the colleges.

Let me comment first on the administration's proposal. It is clear from testimony presented by Mr. Califano's representative on July 19, that the administration's proposals depart rather dramatically from the NASFAA position that the present programs are fundamentally satisfactory. The administration's proposal calls for something like a complete overhaul of the student loan program, an overhaul that the administration claims will "vastly improve the management of the Federal programs."

The subcommittee is well acquainted by now with the major provisions.

1. The establishment of a Government student loan association to administer all of the major Federal programs.

2. The transformation of the NDSL program into a need-based basic loan program.

3. The transformation of the GSL program into a supplemental loan program to enable students and their parents to spread out in time their share of educational costs.

4. The dissolution of Sallie Mae and the assignment to the new Government student loan association the responsibility of operating the basic loan program and of conducting secondary market activities for the supplemental loan program.

5. Finally, the packaging and disbursing of basic loan funds on campuses, but the assigning of collection responsibilities to the national lender.

This certainly represents a complete overhaul.

For the basic loans, the administration's proposal calls for raising the annual limits, and here I refer only to undergraduates, since my college is involved only in undergraduate higher education, raising the annual limits to $3,750 and cumulative limits over 4 years of undergraduate study to $12,500. The actual amounts to be determined by documented needs. The suggested limits surely are ample for the present, but it would be well to build into the legislation an escalation factor which increases the annual limits to correspond perhaps to increases in the CPI the previous year.

I am more concerned about the interest charges proposed for basic loans, 7 percent of the Treasury bill rate minus the 1 percent, whichever is less. Obviously the 3 percent NDSL rate now is badly out of date, but the proposed rate will discourage many students from borrowing at all or at least from borrowing what they might need to attend a college of their choice. I would urge setting the interest at 5 percent and eliminating reference to the Treasury bill rate.

For the supplemental loans, the administration's proposal sets for undergraduates annual limits of $5,000 and cumulative limits of $20,000, for the sum of both basic and supplemental loans. Again, I would suggest an escalation factor based on the CPI. On the other hand, as compared to the basic loan interest rate proposal, it seems to me entirely reasonable that the supplemental loans be at the Treasury bill rate, plus 1 percent.

I also have no problem with the proposal for supplemental loans that interest be payable while the student is in college.

The costs of the administration's student loan proposals and the adequacy of the new student loan association as the source of capital, these deserve some comment.

The basic loan program is to be phased in over 3 years, with 60 percent of the full funding requirement to be met the first year, 80 percent the second, and 100 percent the third. Basic loan capital is to come from repayment of NDSL loans and from borrowing from the Treasury. I have real doubt as to the eventual even availability of sum-sufficient funding really to be able to meet the phase-in schedule. The administration estimates that $3.3 billion will be needed for both basic and supplemental loans in 1981, the first year, and $5 billion for both loans by the time the program is fully phased in.

Let me now comment much more briefly on the Kennedy-Bellmon national student loan reform proposal. The chief differences from the administration's proposal seem to be as follows:

Kennedy-Bellmon proposes a campus-based program for students corresponding to the basic loan program, but providing a longer repayment schedule for the larger loans, a graduated repayment schedule and an income continguency feature.

Kennedy-Bell proposes that administration and collection activities be conducted by an expanded Sallie Mae.

I am going to skip along a little bit here to try and keep within my 10 minutes.

A private lender-based program for parents corresponding to the supplemental loan program to be guaranteed by Sallie Mae and available at an interest rate 1 percent below the Treasury rate, interest and principal repayments to begin following termination of the student's education and to continue for 10 years.

The differences between Kennedy-Bellmon and the administration's proposals do not seem to me to be consequential. My suggestions as regards the loan limits and the interest rates would apply equally to Kennedy-Bellmon as to the administration's proposal.

There remains the proposals of Congressman Maguire and of Congressman Harrington. Congressman Maguire's proposal is now called, as I understand it, the Fair Access to Higher Education Act of 1979. This is a redrafting of last year's H.R. 12756, the Capital Availability for Higher Education Amendments of 1978.

The Maguire plan calls for somewhat lower loan limits than the administration proposal, and omits the supplemental or the parent-oriented provision. Maguire also makes available an optional Federal repayment service administered by OE and the IRS and an optional income-contingent repayment feature. Maguire also permits borrowers and lenders to make use of eligible State repayment services, and local secondary markets also are authorized under Maguire.

The Maguire plan seems, to the uninitiated, and parents and college-going students are among the uninitiated, unnecessarily complicated and oriented more to expanding local availability and easing collection than to serving most effectively students, parents, and colleges. It does address well the major problems in the NDSL and GSL programs but seems inferior to the administration's proposals as regards loan limits, interest rates, and the availability of loans to parents as well as to students. There is also the controversial matter of optional payback through the IRS.

Finally, Congressman Harrington's tuition advance fund bill was introduced in the House on April 20, 1978, and followed in the Senate by an identical bill, S. 3044, cosponsored by Senators Kennedy and Durkin. Both bills called upon the Federal Government to establish a trust fund to advance to college sophomores, juniors, and seniors the cost of tuition, plus $1,000 annually in education-related expenses, up to a maximum of $5,000 annually. The advances would be repaid by the students through small yearly payroll withholding installments at the rate of 2 percent of payroll withholding, excuse me, 2 percent of adjusted gross income, plus a 50 percent surcharge. Defaults would be precluded as a result of IRS involvement. Thus the loan balances would be assessed just as if they were taxes. The payments would reimburse the advance fund, and the system ultimately would be self-supporting without massive infusions of new capital.

The chief advantages of the TAF proposal are as follows:

No. 1, adequate funds are almost guaranteed to enable a student to choose his educational program and his college without regard to financial constraints.

No. 2, repayment is spread out over a student's working lifetime, conventional loans require repayment just after college and most graduates have low incomes then.

No. 3, collection is eased and defaults eliminated through involvement of the IRS.

The chief disadvantages are as follows:

No. 1, high participation rates and large advances, as college costs increase, would mean truly massive initial costs.

No. 2, using the IRS as a bill collector raises serious public policy questions.

No. 3, the program has a clear potential of drastically reordering public spending on higher education.

This is the old question as to whether tax moneys should be used more to support individual students or more to support their colleges.

I believe that implementation of the TAF idea would have the long-term effect of reducing aid programs that, in effect, tax some members of the middle class to pay for the education of the children of other members of the middle class. TAF would seem to be fairer to students, parents, and taxpayers than our present system, and surely would make possible equal educational opportunity with regard both to access and choice.

I believe that TAF is the "final solution" to the financing of higher education. I believe, too, that it has appeared several years before its time. A new, highly imaginative Government-sponsored program, nearly open-ended as to cost, is unlikely to fly in times of taxpayer revolt and general economic stress. I would like to see TAF kept on the back burner while we see whether or not reasonable, but less far-sighted approaches, might work.

With regard, then, to the student financial aid initiatives that are presently under the subcommittee's consideration, I urge the adoption of the administration's program.

Thank you.

Mr. Simon. Thank you, and your full statement will be entered into the record.

[Prepared testimony of Bernard S. Adams follows:]

PREPARED TESTIMONY OF BERNARD S. ADAMS, PRESIDENT, RIPON COLLEGE

Mr. Chairman and members of the Subcommittee, I am pleased to have this opportunity to testify on the reauthorization of the Higher Education Act, especially as it deals with title IV, the student assistance loan programs. I am Bernard Adams, president of Ripon College and a representative, strictly "without portfolio," of independent higher education. My college is typical of hundreds of small private colleges, nationwide, whose students depend heavily upon federally sponsored financial aid. I speak for those students but also for their colleges whose very existence is threatened during the 80's by a combination of escalating costs and the presence of markedly fewer financially able young people in the college-age applicant pool.

Perhaps it would be helpful to the Subcommittee to know the extent of one rather typical small college's commitment to student financial aid. In the fall of 1978, Ripon enrolled 923 students, almost all of them full-time and almost all resident on-campus. The comprehensive fee charged these students (for room, board, tuition) amounted to $5,140—about average for a high quality private college in the Midwest. Last year, 628 of the 923 (68%) were recipients of financial aid from all sources; the total aid awarded amounted to $2,042,318 with the average award coming to $3,252. All of our financial aid is based upon demonstrated need (we have no athletic scholarships, for example) and a solid absolute majority of our students receive such assistance.

With regard to gift aid (scholarships and grants), Ripon provided last year $650,399 from its own budget for 499 of its 923 students. Wisconsin's tuition grant and talent incentive programs provided $336,338, also in gift aid, to 237 students. BEOG's, the year just past, brought $136,824 in Federal gift aid to 191 students and SEOG's brought $67,335 to 97 students. Like most colleges, we "package" each student's award which usually includes college, state, and Federal grants for which the student qualified.

With regard to loans and academic year employment, Ripon had such aid available last year, from all sources, in the amount of $663,367. This aid went to 475 of our 923 students with most students receiving grants also taking out loans and holding campus jobs. Almost all student loans and 31 percent of student jobs are underwritten by federally sponsored programs. Our figures for 1978–79 are as follows:

205 students received NDSL loans amounting to $186,929;
179 students received guaranteed loans amounting to $528,033;
94 students were on college work-study and earned $45,855.

Ripon's own commitment to on-campus, need based employment amounted to another $102,505. This is in addition to our institutional contribution to our CWSP and NDSL accounts.

The extent of a small college's participation in a massive Federal program is best judged in percentage rather than in actual dollar terms. The 433 students who received last year BEOG's, SEOG's, NDSL's, guaranteed loans, or work-study funds amounted to 47 percent of our 923 enrollment. The $764,976 in revenues that came to the College last year "on the backs of students," from these same Federal programs, amounted to 12.3 percent of *total* revenues. Last year's operating budget which, thankfully, was balanced came to about $6,200,000.

I would like now to address myself to the federally sponsored student loan programs that are the main subjects of today's hearing. In preparing this testimony, I have reviewed the statements of the National Association of Student Financial Aid Administrators (NASFAA) presented to this subcommittee in five separate hearings May 3, 1979, through June 12, 1979. I understand that NASFAA also has been invited to testify at four of the hearings scheduled for July 25 through August 3. The NASFAA representatives are the "real pros" of the student financial aid business and I urge the subcommittee to consider most seriously their recommendations.

I confess, however, to some surprise and disappointment that, according to the record of the May 30 hearing, NASFAA supports changes in the NDSL and GSL legislation that "are primarily technical in nature" and urges "continuation of the two programs in their existing basic structure." NASPAA identifies the default rate, inadequate capital availability to students, abuses of the interest subsidy arrangements, and deficiencies in collection activities as the major problems with the NDSL and GSL programs. NASFAA sent to the subcommittee, on February 15, 1979, its proposals for improvements in the existing programs and I am sure these will help correct the problems as currently perceived. I also believe, however, that several of the new loan programs proposed by the Congress and the administration hold greater promise for students, their colleges, and, indeed, the nation.

Let me comment first on the administration's proposal. It is very clear that the testimony presented by Mr. Califano's representative July 19 in Washington departed rather dramatically from the NASFAA position that the present programs are fundamentally satisfactory. The administration's proposal calls for something close to a complete overhaul of the student loan program, an overhaul that would "vastly improve the management" of the Federal programs. You are well acquainted by now with the major provisions:

The establishment of a Government Student Loan Association to administer all of the major federal programs;

The transformation of the NDSL program into a need-based basic loan program;

The transformation of the GSL program into a supplemental loan program to enable students and their parents to spread out in time their share of educational costs;

The dissolution of Sallie Mae and the assignment to the new Government Student Loan Association the responsibility of operating the basic Loan program and of conducting secondary market activities for the supplemental loan program;

The packaging and disbursing of basic loan funds on campuses but the assigning of collection responsibilities to the national lender.

This does, it seems to me, represent a complete overhaul and it is a proposal, on balance, that I support.

For the basic loans, the administration's proposal calls for raising the annual limits (for undergraduates) to $3,750 and the cumulative limits to $12,500—with the actual amounts of the loans determined by documented need. The suggested limits surely are ample for the present but it would be well to build into the legislation an escalation factor which increases the annual limits to correspond, perhaps, to increases in the CPI the previous year. I am more concerned about the interest charges proposed for basic loans—seven percent or the Treasury bill rate minus one percent, whichever is less. Obviously, the three percent NDSL rate now is badly out of date but the proposed rate will discourage many students from borrowing at all or at least from borrowing what they might need to attend a college of their choice. I would urge setting the interest at 5 percent and eliminating reference to the Treasury bill rate.

For the supplemental loans, the administration's proposal sets (for undergraduates) annual limits of $5,000 and cumulative limits of $20,000—for the sum of basic and supplemental loans. Again, I would suggest an escalation factor based on the CPI. However, since the supplemental loans are "convenience" or liquidity-oriented rather than need-based, I believe that the proposed interest rate (the Treasury bill rate plus one percent) is entirely reasonable. I also have no problem with the proposal, for supplemental loans, that interest be payable while the student is in college.

The costs of the administration's student loan proposals and the adequacy of the new Student Loan Association as the source of capital (for basic loans) deserve some comment. The basic loan program is to be phased in over three years with 60 percent of the full-funding requirement to be met the first year, 80 percent the second, and 100 percent the third. Basic loan capital is to come from repayment of NDSL loans and from "borrowing from the Treasury," and I have considerable doubt that sum-sufficient funding really will be available to meet the phase-in schedule. The administration estimates that $3.3 billion will be needed for both basic and supplemental loans in 1981 (the first year) and $5 billion by 1983; this, obviously, is a great deal of money. Given projections as regards inflation, the capital requirements seem realistic and I trust that the combined resources of the public and private sectors will prove to be adequate.

Let me now comment much more briefly on the Kennedy-Bellmon "National Student Loan Reform" proposal. The chief differences from the administration's proposal seem to be as follows:

A "campus-based program for students" (corresponding to the basic loan program) provides a longer repayment schedule for larger loans, a graduated repayment schedule, and an income contingency feature;

Administration and collection activities will be conducted by an expanded Sallie Mae;

Independent students will be eligible for additional campus-based loans up to the estimated parental contribution;

A "private, lender-based program for parents" (corresponding to the supplemental loan program) will be guaranteed by Sallie Mae and will be available at an interest rate 1 percent below the Treasury rate, interest and principle repayments to begin following termination of the student's education and to continue for 10 years.

The differences are not really consequential except for the Kennedy-Bellmon plan's continued reliance on Sallie Mae for administration and collection under the student-oriented program and Sallie Mae's guarantees and subsidies (but not collections) under the parent-oriented program. My suggestions as regards loan limits and interest rates would apply equally to Kennedy-Bellmon as to the administration's proposals.

There remain the proposals of Congressman Maguire (H.R. 12756, the "Capital Availability for Higher Education Amendments of 1978") and Congressman Harrington (H.R. 12268, the "Tuition Advance Fund Act"). Congressman Maguire's proposal apparently has been re-drafted as "The Fair Access to Higher Education Act of 1979."

The Maguire plan calls for somewhat lower loan limits than the administration proposal and omits the supplemental (parent-oriented) provisions. Maguire also makes available an optional Federal Repayment Service administered by OE and the IRS and an optional income-contingent repayment feature. Maguire also permits borrowers and lenders to make use of eligible State repayment services, either for conventional or income-contingent repayments, in place of the Federal service. Incentives are provided the 39 State guarantee agencies presently operative to increase loan availability and reduce defaults. Local secondary markets also are authorized and may qualify for seed money advances and preferential purchase agreements and warehousing advances from Sallie Mae.

The Maguire plan seems to the uninitiated (especially students and their parents) unnecessarily complicated and oriented more to expanding loan availability and easing collection than to serving most effectively students, parents, and colleges. It does address well the major problems in the NDSL and GSL programs but seems inferior to the administration's proposals as regards loan limits, interest rates, and the availability of loans to parents as well as to students. There is also the controversial matter of optional payback through the Internal Revenue Service. I speak to this in my concluding paragraphs.

Congressman Harrington's "Tuition Advance Fund" bill was introduced in the House on April 20, 1978, and followed in the Senate by an identical bill S. 3044, co-sponsored by Senators Kennedy and Durkin. Both bills called upon the federal government to establish a trust fund to advance to college sophomores, juniors, and seniors the cost of tuition plus $1,000 annually in education-related expenses up to a maximum of $5,000 annually. The advances would be repaid by the student through small yearly payroll withholding installments at the rate of 2 percent of adjusted gross income plus a 50 percent surcharge. Defaults would be precluded as a result of IRS involvement. Thus, the loan balances would be assessed just as if they were taxes, the payments would reimburse the advance fund, and the system ultimately would be self-supporting without massive infusions of new capital.

The chief advantages of the TAF proposal are as follows: (1) adequate funds almost are guaranteed to enable a student to choose his educational program and his college without regard to financial constraints; (2) repayment is spread out over a student's working lifetime—conventional loans require repayment just after college when most graduates have low incomes; and (3) collection is eased and defaults eliminated through involvement of the IRS. The chief disadvantages are as follows: (1) high participation rates and large advances (as college costs increase) would mean truly massive initial costs; (2) using the IRS as a "bill collector" raises serious public policy questions; and (3) the program has the clear potential of drastically re-ordering public spending on higher education (the old question as to whether tax monies should provide more support to individual students or more support to their colleges).

I believe that implementation of the TAF idea would have the long term effect of reducing aid programs that, in effect, tax some members of the middle class to pay for the education of the children of other members of the middle class. TAF would seem to be fairer to students, parents and taxpayers than our present system and surely would make possible equal educational opportunity with regard both to access and choice. I believe that TAF is the "final solution" to the financing of higher education but I believe too that it's appeared several years before its time. A new, highly imaginative government-sponsored program, nearly open-ended as to cost, is unlikely to fly in times of taxpayer revolt and general economic stress. I would like to see TAF kept on the back burner while we see whether or not reasonable but less farsighted approaches might work.

With regard, then, to the student financial aid initiatives presently under the Subcommittee's consideration, I urge adoption of the Administration's program.

I hope these comments have been helpful to you. If members of the Subcommittee have questions, I will be glad to respond to them at this time. Thank you for the opportunity to present this testimony.

Mr. SIMON. Mr. Sorenson?

STATEMENT OF ROBERT SORENSON, DIRECTOR, STATE BOARD OF VOCATIONAL, TECHNICAL AND ADULT EDUCATION, STATE OF WISCONSIN

Mr. SORENSON. Thank you, Mr. Chairman.

I am Bob Sorenson, as indicated in the introduction. I am the State director of the Wisconsin Board of Vocational, Technical and Adult Education.

This is a public, post-secondary system serving primarily the 1- and 2-year vocational students in the State of Wisconsin.

I have along with me today Bruce McConnell, our State consultant for student financial aid. He will remain throughout the hearing and will answer any specific questions that may come up today.

The Federal student financial aid programs have been of great help to Wisconsin vocational-technical students, particularly the basic education opportunity grant program. Wisconsin also has a long history of providing State financial aids to students. We are proud of our central agency, the Higher Educational Aids Board, that has coordinated and operated these programs over the years.

The Higher Educational Aids Board has solicited assistance and input from all sections into these programs to provide one of the most complete State-Federal programs in the country. As I react to the Federal programs, I will do so from the context that Wisconsin has an excellent ongoing program, and major shifts may not be needed, especially in the loan programs.

In May the Comptroller General released a Government Accounting Office report on the Office of Education financial aids programs. That report and its recommendations will undoubtedly influence the new Higher Education Act amendments. The report charges that funds to States and schools have not been allocated on the basis of student needs, and schools have overstated their needs in making requests.

Second, the existing systems of need analyses have used different measures to determine family contributions, expected family contributions.

Third, that methods by schools to develop packages fail to consider all sources of aid, and has resulted in some students getting too little aid and others too much.

Finally, that inadequate standards have allowed students to remain in school without making satisfactory progress.

The Government Accounting Office report will justifiably receive careful consideration. However, it appears that the study failed to take into consideration that schools have different missions, goals and objectives, and consequently there should be some differences in the aid programs. Specifically, some of the recommendations could be detrimental to the vocational-technical students throughout this country.

At this moment, a major problem of vocational-technical schools is the program eligibility definition promulgated by the U.S. Office of Education in January of this year. To attempt to insure that all students can profit from post-secondary instruction, they are requiring high school graduation, the recognized equivalent or:

> An institution must document a student's ability to benefit from the education or training offered. An institution must document a student's ability to benefit from the training offered on the basis of a standardized test, other measurement instruments, practicum examination, or other verifiable indicators such as the written recommendations from professional educators, counselors or persons who are not employed or affiliated with the institution.

This appears on the surface to be a reasonable thing to insure basic competency. As far as our associate degree programs are concerned, it poses no real problems. Historically we have offered second, third, or fourth chances in education to Wisconsin citizens, particularly in our vocational area programs. To require that a 50-year old male or female who would like to begin a welding program, an institutional foods aide program, cabinetmaking and millworking, or any one of our many vocational programs, must take a standardized test, may prevent students from beginning these programs in the first place.

Now, we have made over the years every effort to allow students to enroll and try out these programs. In our largest school, the Milwaukee Area Technical College, any adult who has requested the chance to try any vocational program, regardless of his or her background, has been given that opportunity. We take great pride in that in Wisconsin. The U.S. Office of Education standards, however laudable in their purpose, do not fit our type of institution and student. If carried to the extreme, they could prevent some adult students from even taking a course, or could force us to set up barriers to enrollment for many, many adults. This is where our major growth is taken place in this country.

The U.S. Office of Education, in responding to the Government Accounting Office report, lists the basic educational opportunity grant program as an example of

> a nationwide formula-based program which does not allow for adjustments to reflect different student situations. Uniform and consistent applied criteria govern the awarding of basic grants.

This program, presented as the model, limits its grants to $1,800 or one-half of the cost of attending that school. After applying general deductions we find that students receive much less than $1,800 because of this limitation even though they are totally needy. This provision discriminates against very needy students attending low-cost public institutions such as ours. A second provision in the basic grant is to base the award computation on a formula. This formula states that dormitory costs can be used or if there are no dorm facilities a $1,100 room and board cost must be used. This has been unchanged since the inauguration of the basic grants in 1972. This cost cannot be justified as reasonable. It only serves as a rationing device and is discriminatory to vocational-technical students and others in low-cost public institutions, such as community colleges.

The U.S. Office of Education could also make the lives of our aid administrators a little easier if they would only accept the average cost of overall fees in relation to the computation of basic grants. At present we must compute these Basic Grants individually for each of the more than 300 eligible programs offered.

The year 1980 appears to be the year of the loan change. Congress has just completed the landmark Middle Income Student Assistance Act. We are now entering into its first full year of operation. Congress must now address itself to continuation of this program, amending it, or scrapping the program and starting over.

Mr. William Clohan, assistant education counsel to the Education and Labor Committee, in a recent address stated:

> The high cost of loans is being examined. It costs the government $700 to process one $1,000 guaranteed student loan to fruition.

Information from this committee and the Senate Subcommittee on Education, Arts and Humanities, makes it clear that the 3-percent national direct student loan interest rate is being examined, as well as the so-called loan of convenience or non-need-based loan to middle income students.

The Carnegie Council on Policy Studies in Higher Education in its publication "Next Steps for the 1980's in Student Financial Aid" states in recommendation No. 13 that Congress should consider carefully the phasing out of the national direct student loan program and the guaranteed student loan program and replace them with a national student loan bank. It also suggests that Sallie Mae, the Student Loan Marketing Association, could be transformed into an institution resembling the national student loan bank.

The administration bill would change national direct student loans to need-based basic loans, and guaranteed student loans to a supplementary loan program, and establish a Government Student Loan Association.

The Kennedy-Bellmon bill would expand Sallie Mae and establish a two-tiered loan program, need based and so-called non-need based, or an interest-bearing loan for parents.

Some proposals call for the involvement of the Department of Internal Revenue in verifying need. Some proposals call for IRS to be a collector. We are faced with criticism over the cost of the current loan programs, over the inaccessibility of loans to some students, and the high default rates.

In the vocational-technical system, we make very limited use of the national direct student loan, so I will confine my remarks to the guaranteed student loan program.

I am concerned about setting up a National Loan Bank. The U.S. Office of Education has not been an agency that has been flexible and able to attune itself to student needs. Its operation of basic grants with its rapid administrative changes, as in the validation approach last year, and the independent student muddle this year, has not shown itself able to work more rapidly and efficiently than the States. Its imposition of the single form without adequate leadtime is an indicator that it is still unwilling to consider students first and politics second.

Undoubtedly, Massachusetts has a real problem in generating loan capital for needy students, a basic concern in the Kennedy-Bellmon bill; but Wisconsin does not. The Student Loan Marketing Association has not shown itself able to meet State and student needs. As loan capital decreases, availability through Sallie Mae also has decreased. The Wisconsin Legislature has provided the funds and the Higher Educational Aids Board the facilities to make loans available to all Wisconsin postsecondary students. Why should an excellent program such as Wisconsin has developed be jeopardized? Massachusetts and other States have needs that must be addressed nationally, but I would not like to see Wisconsin penalized because of its leadership role.

I am also very concerned about the centralization of the loan function. The U.S. Office of Education has had real difficulty in setting up rules and regulations to operate programs. For example, the regulations implementing the 1972 education amendments to the national direct student loan program were not actually finalized by the U.S. Office of Education until a month after the legislation had expired in 1976. The 1976 legislative changes were not promulgated into final regulations until August 24, 1978.

Perhaps we need to move carefully in changing the loan program. While States such as Massachusetts need loan capital, Wisconsin has an excellent program that should not be jeopardized. Help from the Internal Revenue Service in obtaining student forwarding addresses would help in collections, and Congress could consider the reimposition of an income limit on the guaranteed student loan program. Perhaps $30,000 or $35,000 adjusted gross income as a limit would suffice.

The elimination of the one-half cost provision and removal of the $1.1000 room-and-board restriction on the basic grant program, is essential to Wisconsin's vocational, technical, and adult education schools. Liberalization of program eligibility standards are another concern. The inability of the U.S. Office of Education to promulgate rules and regulations promptly, and its rigidity and inflexibility, are others.

We have an excellent postsecondary system in Wisconsin. The private and public universities and colleges, and the vocational-technical institutes, have worked together with the Higher Educational Aids Board to provide one of the best systems of student financial aid in this country. We do not want to damage that system and our students. If Congress would provide us with an equitable State allocation formula, we could do an even better job in meeting the student needs.

Thank you.

Mr. Simon. Thank you, Mr. Sorenson.

[Prepared statement of Robert Sorenson follows:]

Prepared Statement of Robert Sorenson, Director, State Board of Vocational, Technical and Adult Education, State of Wisconsin

The federal student financial aid programs have been of great help to Wisconsin vocational-technical students, particularly the basic eductaion opportunity grant program. Wisconsin also has a long history of providing state financial aids to students. The tuition grant program provides aid to students in private universities and colleges. Wisconsin higher education grants aid students in public colleges, universities and vocational-technical schools. In the loan field, Wisconsin pioneered providing state funds to make available guaranteed loans for virtually all needy students. Another 40 million dollars will be added to that loan fund this year.

Wisconsin also has a central agency, the higher educational aids board, that has coordinated and operated these programs. The higher educational aids board has solicited assistance and input from all sections into these programs to provide one of the most complete state-federal programs in the country. As I react to the federal proposals, I will do so from the context that Wisconsin has as excellent on-going program, and major shifts, especially in the loan programs, may not be needed.

In May, the comptroller general released a government accounting office report, on the office of education financial aids programs. That report and its recommendations will undoubtedly influence the new higher education act amendments. The report charges that funds to states and schools have not been allocated on the basis of student needs, and schools have overstated their needs in making requests.

Second, that existing systems of need analysis have used different measures to determine expected family contributions.

Third, that methods by schools to develop packages fail to consider all sources of aid, and has resulted in some students getting too little aid, and others too much.

Finally, that inadequate standards have allowed students to remain in school without making satisfactory progress.

The government accounting office report will justifiably receive careful consideration. However, it appears that the study failed to take into consideration that schools have different missions, goals and objectives, and consequently, there should be some differences in the aid programs. Specifically, some of the recommendations could be detrimental to vocational-technical students.

At this moment, a major problem in vocational-technical schools is the program eligibility definition promulgated by the U.S. Office of Education in January of this year. To attempt to insure that all students can profit from postsecondary instruction, they are requiring high school graduation, the recognized equivalent or "an institution must document a student's ability to benefit from the education or training offered. An institution must document a student's ability to benefit from the training offered on the basis of a standardized test, other measurement instrument, practicum examination, or other verifiable indicators such as written recommendations from professional educators, counselors or persons who are not employed or affilated with the institution." This appears on the surface to be reasonable to insure basic competencies. As far as our associate degree programs are concerned it poses no real problems. But historically, we have offered second, third or fourth chances in education to Wisconsin citizens, particularly in our vocational area programs. To require that a fifty year old male or female who would like to begin a welding program, an institutional foods aide, cabinet making and millwork, or any one of our many vocational programs must take a standardized test, may prevent students from beginning these programs. We have made, over the years, every effort to allow students to enroll, to try out these programs. In our largest school, the Milwaukee Area Technical College, any adult who has requested the chance to try any vocational program, regardless of his background, has been given that opportunity. The U.S. Office of Education Standards, however laudable in their purpose, do not fit our type of institution and student. If carried to the extreme, they could prevent some adult students from even taking a course, or could force us to set up barriers to enrollment for too many adults.

The U.S. Office of Education in responding to the Government Accounting Office report lists the basic educational opportunity grant program as the example of "a nationwide formula-based program which does not allow for adjustments to reflect different student situations. Uniform and consistent applied criteria govern the awarding of basic grants." This program, presented as the model, limits its grants to $1,800 or one-half of the cost of attending that school. After applying general deductions we find that students receive much less than $1,800 because of this limitation even though they are totally needy. The provision discriminates against very needy students attending low cost public institutions, such as ours. A second provision in basic grants is to base the award computation on a formula. This formula states that dormitory costs can be used or if there are no dorm facilities a $1,100 room and board cost must be used. This has been unchanged since the inauguration of basic grants in 1972. This cost cannot be justified as reasonable, it only serves as a rationing device and is discriminatory to vocational-technical students and others in low cost public institutions, such as community colleges. The U.S. Office of Education could also make the lives of our aid administrators a little easier if they would only accept the average cost of overall fees in relation to the computation of basic grants. At present we must compute these basic grants individually for each of the more than 300 eligible programs offered.

1980 appears to be the year of the loan change. Congress has just completed the Landmark Middle Income Student Assistance Act. We are now entering into its first full year of operation. Congress must now address itself to continuation of this program, amending it, or scrapping the program and starting over. Mr. William Clohan, assistant education counsel to the Education and Labor Committee, in a recent address stated, "The high cost of loans is being examined. It costs the government $700 to process one $1,000 guaranteed student loan to fruition." Information from this committee and the Senate Subcommittee on Education, Arts and Humanities makes it clear that the 3% national direct student loan interest rate is being examined, as well as the so-called loan of convenience or non-need based loan to middle income students.

The Carnegie council on policy studies in higher education in its publication "*Next Steps for the 1980's in Student Fnancial Aid*" states in recommendation number 13 that Congress should consider carefully the phasing out of national direct student loan program and the guaranteed student loan program and replace them with a national student loan bank. It also suggests that "Sallie Mae," the Student Loan Marketing Association, could be transformed into an institution resembling the National Student Loan Bank.

The administration bill would change national direct student loans to need *basic* loans and guaranteed student loans to a supplementary loan program and establish a government student loan association.

The Kennedy/Bellmon bill would expand Sallie Mae (student loan marketing association) and establish a two tiered loan program, need based and so-called "non-need" based or an interest bearing loan for parents.

Some proposals call for the involvement of the Department of Internal Revenue in verifying need, some proposals call for Internal Revenue Service collection. We are faced with criticism over the cost of the current loan programs, over the inaccessibility of loans to some students, and the high default rates.

In the vocational-technical system we make very limited use of the national direct student loan, so I will confine my remarks to the guaranteed student loan program. I am concerned about setting up a national loan bank. The U.S. Office of Education has not been an agency that has been flexible and able to attune itself to student needs. Its operation of basic grants with its rapid administrative changes as in the validation approach last year, and the independent student muddle this year, has not shown itself able to work more rapidly and efficiently than the states. Its imposition of the single form without adequate lead time is an indicator that it is still unwilling to consider students first and politics second.

Undoubtedly, Massachusetts has a real problem in generating loan capital for needy students, a basic concern in the Kennedy/Bellmon bill, but Wisconsin does not. The student loan marketing association has not shown itself able to meet state and student needs. As loan capital decreases availability through "Sallie Mae" also has decreased. The Wisconsin legislature has provided the funds and the higher educational aids board the facility to make loans available to all Wisconsin postsecondary students. Why should an excellent program such as Wisconsin has developed be jeopardized? Massachusetts and other states have needs that must be addressed nationally, but, I would not like to see Wisconsin penalized because of its leadership role.

I am also very concerned about the centralization of the loan function. The U.S. Office of Education has had real difficulty in setting up rules and regulations to operate programs. For example, the regulations implementing the 1972 education amendments to the national direct student loan program were not actually finalized by the U.S Office of Education, until a month after the legislation had expired in 1976. The 1976 legislative changes were not promulgated into final regulations until August 24, 1978

Perhaps we need to move carefully in changing the loan program. While states such as Massachusetts need loan capital, Wisconsin has an excellent program that should not be jeopardized. Help from Internal Revenue Service in obtaining students' forwarding addressess would help in collections, and Congress could consider the reimposition of an income limit on the guaranteed student loan program. Perhaps $30,000 or $35,000 adjusted gross income as a limit would suffice.

The elimination of the one-half cost provision and removal of the $1,100 room and board restriction on the basic grant program is essential to Wisconsin vocation, technical and adult education schools. Liberalization of program eligibility standards are another concern. The inability of U.S. Office of Education to promulgate rules and regulations promptly, and its rigidity and inflexibility are others. We have an excellent postsecondary system in Wisconsin. The private and public universities and colleges and the vocation-technical institutes have worked together with the higher educational aids board to provide one of the best systems of student financial aid in the country. We do not want to damage that system and our students. If Congress would provide us with an equitable State allocation formula we could do an even better job in meeting students' needs.

Mr. Simon. I gather from your comments, Mr. Sorenson, if I may direct my question to you first, that the problems you now face, while some are statutory in cause, primarily are through regulation; is that accurate?

Mr. Sorenson. Yes; over the years, I would say, we have found that to be true in the vocational technical system and the community college system, being a 2-year type system, we have found the regulations sometimes not being formulated with us in mind.

Mr. Simon. Do you have any problems with—some of your programs, I assume, do not fit normally into an academic year.

Mr. Sorenson. Yes; very true.

Mr. Simon. Do you have special problems with any of the loan programs because of that?

Mr. Sorenson. I would guesstimate we would, and I would like to have Bruce McConnell answer that because he can be a little more specific in the answer.

Mr. McConnell. Perhaps a good example would be the very large adult-based education program. This is not a program for people interested in a second language or anything like that. It is for adults who have not brought themselves up to basic competence. Unless we are able to put that person under a CETA program, this whole large group of people is ineligible for any type of aid.

Mr. Simon. What I am more interested in, you mentioned cabinetmaking. Maybe you have a course in cabinetmaking that is a 4-week course or something similar. That is really what I am looking for more than the basic education.

Mr. McConnell. Yes; right here in this city the Fox Valley Technical Institute has a truck-driving program which is 24 weeks in length and it does not qualify for the aid programs. Until yesterday when the technical amendments were passed removing that 6 months, the nine 1-year provision and moving it back to 6 months, others of our programs were eliminated from the basic Educational Opportunities Act.

Mr. Simon. There are students who are, in fact, denied an opportunity to attend because of unavailability of funds then?

Mr. McConnell. I would speculate, though, that there would be students who cannot get funds and who might want to go into the program; yes.

Mr. Simon. If I may address this question to all three of you, and, Mr. Sorenson, this may be a little difficult for you, but for the full-time student, what does it average in your vocational programs, at the University of Wisconsin—Oshkosh, or at Ripon? I am talking about basic costs of attendance, room and board, tuition, books.

Mr. Sorenson. I think in the vocational-technical system—and Bruce, you can correct me—I think our figure is around $3,000 that we use as our average cost for a full year, 36-week program.

Dr. Penson. We are counting apples with apples, ours is $3,300 for a year.

Mr. Adams. Fixed fees, $5,140 last year, $5,520 next year, room, board, and tuition. That does not include books, travel, incidentals, just the fixed base.

Mr. Simon. Then you add books. Travel we can't very will be counting in any kind of a calculation.

One of the reasons for asking the question, and private schools particularly would have a problem, we were discussing in the car coming over this morning the possibility of having a percentage ceiling rather than a fixed-dollar ceiling.

Mr. Adams. A percentage of fixed costs?

Mr. Simon. That is correct. In other words, instead of saying *x* number of dollars, we would say 80 percent of the $5,100.

Mr. Adams. I would support that.

Mr. Simon. But we would have to make sure that we in the process are not reducing the assistance to the—we could make it *x* dollars or 80 percent, whichever is greater.

Mr. Adams. I think that is a great idea.

Mr. Sorenson. Offhand I don't see any problem with it because right now we fall below that average reimbursement student aid package. I would think we would probably gain from that. We could reach out to some of these needy students a little more easily.

Dr. Penson. I would concur.

Mr. Simon. Dr. Adams, I noticed as you were going through your statement that in the first part you did not read that portion of the statement which said that you supported the administration proposal, but at the end you cautiously seemed to move in that direction. Am I reading more into that?

Mr. Adams. It was not expected to be a cautious moving in that direction, it is expected to be a very precise movement in that direction. I think the administration's proposal is very sound indeed.

Mr. Simon. Mr. Petri.

Mr. Petri. I have one or two questions. One has to do with the problems of changing or devising a Federal program that has to deal with situations that are radically different in different States around the country. We here in Wisconsin have a very good higher education aids board. How is the Federal Government to have a program that will work in States that have a poorer educational air structure than we do here in Wisconsin?

Mr. Simon. If I could just add, if my colleague could yield, there is no question, as Mr. Sorenson said, you have a much superior program here in Wisconsin. It is unfortunate that we cannot assume that other States are going to have the kind of program you have here.

Mr. Adams. Are you addressing that to all of us?

Mr. Petri. I don't know if anyone would care to comment on that. It is projecting rather than asking about our own particular situation.

Dr. Penson. There seems to be a pattern of States gradually getting awake to the problem and moving in the direction of establishing such things as our version of HEAB. The Ohio Student Loan Commission, for example, is maybe the prototype of those systems. They are being sought after, as we are, by other States to see if that can be a model, but in the meantime we have the proposal of the administration that may stop the process if they think one massive Federal agency is going to take it over.

Mr. Petri. From your point of view, right here in Wisconsin, do you think it would make sense to have, instead of a State program and then a separate Federal program going from the Federal Government to the different institutions and the students, simply a Federal program that went to the State and then maybe piggybacked on top of the existing State program and avoided all that duplication, or do you think there is an advantage to that duplication?

Dr. Penson. Mr. Congressman, I do not believe that is wise to move toward any kind of global monolithic Federal agency. I would rather see the States run it and the institutions run it together as mich as they possibly can.

Part of my concern is visibility of where the solutions are. If you put it from the standpoint of the students walking down the street who have an impulse to go, but I want to attend, I want to learn, and I see some gain in that, one of my options is to go get some help. Now, where do I find "Big Daddy?" Do I find "Big Daddy" somewhere in Washington in this vast bureaucracy I have heard so much about, or do I find "Big Daddy" in the red brick building that I am used to interacting with?

It seems to me, as close as we can get to "Big Daddy" and as more adjusted we can get to "Big Daddy" to working with students with an educational point of view, the better off we are going to be. That visibility is an aid in the present operation, and certainly is an aid in Wisconsin. If we move to the notion of the GSLA, and, you know, we played with the name Sallie Mae, that is almost sexist, I suggest Gilbert Leonard for this one, if we are going to do Gilbert Leonard and we remove it, then that student, I think, is going to be very hard pressed. I think many students, the very disadvantaged students who really need this kind of help, will say forget it. Federal forms, I don't understand those things.

Mr. Adams. I would never suggest the removal of a State program that is working well and replacing it with a Federal program that, as Ed says, has not worked uniformly well.

Mr. Petri. But I was wondering about removing the Federal program in effect and having it simply plug in at the State level rather than at the college and student level so the contact, so far as the student is concerned, would be between the student and the local institution and whatever the State program was.

Mr. Adams. I would have no problem whatever with that. I would like to see more use made of organizations like HEAB in the various States. Federal programs do, however, have to consider the problems of all of the States. Other States are just not in as good shape as Wisconsin.

Mr. Sorenson. Our problem in administration of anything is coordination and communication. You would gain it through that approach. When you have two separate agencies, you have got your hands full administratively.

Mr. Petri. It might stimulate other States, too. The Federal actually isn't doing the full load or even a very significant portion of it. The State and the institutions themselves are and we are a junior partner.

One other problem exists and it hasn't been touched on in your testimony. If each of you could respond, I would appreciate it. If you can't now, maybe you can later with written comments if you think there is something worthwhile or be said.

Right now under the current loan programs there are provisions that allow for deferment of payment in the case of people who serve in VISTA, the Peace Corps or the Armed Forces if they have loans. I think there is a forgiveness program for people who go into teaching. I think we are all aware of the difficulties the reserves and the national guard and the armed forces are currently having in recruiting adequate numbers of qualified people into all of their programs. Would you have any reaction at all to a proposal to allow a 10-year forgiveness of student loans, 10 percent each year for each year served in the National Guard or in the Reserves? Do you think that that would be a worthwhile thing or would that mess things up and really not encourage people to voluntarily serve in the National Guard or the Reserves?

Mr. ADAMS. I think the present program is all right in that regard which allows a postponement of payments, both interest and principal, until such time as the person has left full-time military service or VISTA service or Peace Corps service or whatever. I do favor, as does Dr. Penson, the removal of the forgiveness for young people going into education.

Mr. PETRI. Do you have any reaction to instituting a forgiveness for people going into the National Guard or the Reserves or would you like to think about that?

Mr. ADAMS. Off the top of my head, I think I would not favor that kind of forgiveness for people that are simply undertaking part-time service in the National Guard and the Reserves.

Dr. PENSON. I did comment about the teacher forgiveness. My own view is that it would be unwise to include forgiveness for those other groups which you mentioned. The thought behind that is that if we need incentives to have people move toward the National Guard or VISTA or the Peace Corps, we ought to direct ourselves at specifically what those incentives ought to be, direct incentives to that program, and not use the costs of higher education as the lollipop. I think that mixes two things that really should be separate.

I am also concerned about using Federal aid of any kind, whether it is for loans or direct grants or anything else, to control curriculum. The notion that the Federal Government can sit in Washington and make a judgment, a really intelligent judgment, about what our curriculum ought to be, what growth rate we ought to have in some programs, what retraction rate we should have in others, as though we could automatically fix our curriculum and match it to the economy, is a notion that I think the Chinese and Russians have found simply won't work over there, even with their very tight fixed economy. Our economy is anything but tight and fixed. So I really do believe that this is not the appropriate method of incentive.

Mr. SORENSON. If the reason to go in that direction is to help the default problem we have, that is another problem. I think we ought to attack it direct on rather than going at it through a back door. I would concur with the other two panelists.

Mr. SIMON. One final question, if I may, to Dr. Adams. I notice you refer to the Harrington answer as the final solution. It is interesting to me that in most countries you don't have to pay to go to college. We are one of the few that has a worry about this kind of a problem right now. In listening to the three of you, I note that—and I don't want to be making assumptions that I should not here—the two representing the public institutions basically are saying we like the present system with some modification. You are saying you prefer the administration program. I guess I have two questions. One is is your response fairly typical of the nonpublic institution in the State of Wisconsin, and, secondly, as I glance through your statement I don't see indications of what the deficiencies are in the present system from your perspective. I would be interested in your comments on that.

Mr. ADAMS. The deficiencies of the present system are not great. They are the lack of capital availability to some extent. There is a general management kind of thing. Those that have looked at the situation from Washington apparently feel that something like a complete overhaul will help to solve the management problem. It is a management problem and a capital availability problem more than anything else. I guess I am simply accepting the fact that they probably, having gone into the problem with great care, know more than I do about matters of managing a very complicated national program.

Mr. SIMON. What about the first part of my question. Is your response typical?

Mr. ADAMS. Typical of those in higher education across the country, yes, I think so. There was a lot of consideration given at the annual meeting of the National Association of Independent Colleges and Universities last year as to the so-called John Silber plan, the tuition advance fund arrangement, which comes a little close to the administration's present proposal with regard to student loans. There was tremendous interest on the part of those of us in the private sector of higher education in the Silber plan. I believe that that interest and that support would be reflected now on the part of those of us in the private sector, in part because it gives more of an opportunity for student choice without concern for financial constraints as to what kind of a college choice they are going to make.

Mr. SIMON. Chancellor, you look like you would like to say something.

Dr. PENSON. I was hoping not to comment on that topic, but I have slowly been drawn in. I was present when former Congressman Harrington began to architect the legislation and was present when John Silber, the distinguished president of Boston University, drew up what, in effect, was his brain child. It is rather appropriate that that location at the time was Massachusetts which is the birthplace of elitist education.

My own view is that it made some sense from their perspective. It is, however, an elitist notion that seems to suggest choice. What choice really means, from the standpoint of the educators in the private sector, is the assumption that if the student is provided a loan and it seems to be free, it means that given the choice they will attend the private colleges and private universities. The only cost, then, is in long-term indebtedness and to some extent it would be very heavy long-term indebtedness. I am not sure that is really an open choice.

I think it also would lead students into that indebtedness and in that sense it would be misleading. I am concerned in particular about some of the administrative nuances of that proposal in that students who must apply, the very students who should get some help from that kind of program, will be those who are completely unfamiliar with the notion of completing the rather arduous forms connected with that loan situation. I think many of them simply will not apply.

On the other hand, well-to-do students who would normally attend their favorite private college and university, are very familiar with the forms. They will have Uncle Louis or their family attorney draw it all up and they will have easy access to that loan money and also an easy time in the repayment of it. Stress on tuition, it seems to me, is very much inherent in that proposed legislation, bold as it is. It is not conversant at all or considerate of commuter based costs, which do affect a lot of public higher education, post-secondary education, including vocational-technical. My concern would be that that needs, at the very least, a very, very careful rethinking about its administration.

One of my concerns is not that we would have the choice and it would be an inappropriate choice for students to take a choice between Ripon and Lawrence colleges compared with the University of Wisconsin—Oshkosh. I have no trouble with the really quality higher education that those institutions represent, the Harvards and the Princetons and the Yales on the East coast. I am concerned about the many, would be terribly misleading students if this kind of program goes on. They would not get an adequate education at those institutions. They would get, in fact, a very adequate and fine education at public institutions, many of them.

Mr. SIMON. We thank the three of you for your testimony and appreciate your taking the time to be here.

Our next panel is composed of Mr. David Prough, vice president of the Marine National Bank of Neenah; Mr. James A. Jung, executive secretary, Higher Educational Aids Board, Madison; and Elaine Gibson of the M & I Western State Bank at Oshkosh.

STATEMENT OF DAVID PROUGH, VICE PRESIDENT, MARINE NATIONAL BANK OF NEENAH

Mr. PROUGH. I would like to express my thanks to the host panel for inviting me down here this morning so that I can maybe present some insight on behalf of various lenders who are involved in the student loan programs, not only in the State of Wisconsin, but maybe more broadly throughout our country.

I recently moved to Wisconsin. I have had exposure to student loan programs both here and in Michigan, which is where I am from. I guess I would say that from the lender's point of view, and I will try and center by comments on that aspect of it, the programs provide a means for students to obtain an education, but I have found the mechanisms that are involved and the followup that is required to be extremely cumbersome. I am aware of several institutions that have chosen to withdraw from various programs as a result of the cumbersome nature and so on that is involved.

I think I would like, first of all, to state that I believe most lenders, and my organization is included, respect the intent and the spirit in which the programs have been developed. They do provide an opportunity to obtain an advanced education for those persons who might not otherwise have such an opportunity because of family or personal financial shortfalls.

I also believe that some of the recent actions that have been taken to remove the income ceilings are a responsible move on the part of administrations and so on who have done that. In the past, families with higher than the norm, let us say, incomes have been jeopardized in that they have not been allowed to use the programs. The programs do not take into account standards of living, many other expenses that are involved in family life; and these families, upper income families and so on, are actually the families who are paying the freight for programs such as this, but yet they are the ones who oftentimes do not have the funds available to them.

Again, I think we need to remember that it is not the family that is being called on to repay the obligation in the end result. It is the student. Once the student graduates from his school of choice, then they all become equal. They are all graduates of the program and at that point in time their financial resources are more on a parity with other graduates then going in.

From our standpoint, we have several headaches that come about from participation in the program. The application procedures have been refined over the years, but still provide from a standpoint of time a disproportionate effort on the part of my staff, myself, and others involved, to take the loan from its initial interview with the student to the point of consummation where it is entered into a system and laid to rest until such time as the student has graduated and begins to payoff.

Speaking economically, I can take my staff members and put them to much more productive use than the student loan program offers. This is a somewhat selfish view, but I think everyone needs to bear in mind that banks, like other businesses, are designed to serve their owners and operate profitably. We have to keep that motive in mind. There is also the public involvement which has become a very important factor in all major companies, and especially banks and other institutions, which provides great impact on the economy.

From the standpoint of public involvement, we would like to help the students. I don't think any lender would stand in front of you and say that their desire is not to help provide a program which will allow for advanced education. I for one would say that I don't believe we want to provide this opportunity at the expense of others. I think that is what is happening in many cases.

Probably the biggest single headache within our organization and that from which I came is monitoring the student progress and tracking the student during his enrollment in school. Once the student has obtained the funds for his education, he or she more often than not will move off to a campus out of our city, many times out of our State. Communication with that student becomes very difficult at this point. Students are not easily reached in their dorm rooms. Mail oftentimes becomes bogged down at the university level. I for one am not staffed in my shop to monitor the progress of a student, to follow where the student goes, if he moves from campus to campus, and I don't believe that

I can economically justify an increased staff for those types of purposes.

There exists occasions where a student enters a college and for one reason or another, either by choice or for other reasons, is forced to drop out of school. We do not have the availability of knowing this fact unless the students would come to us or we would have personal family knowledge so that we would gain this through family members and so on.

If a student drops out of school, he is obligated to institute a repayment program within a specified period. In many cases this does not happen. We know of many where this does not happen because of lack of communications either on the part of the school, the student, our own part at the bank. It becomes very difficult to keep track of several hundred students with whom you are dealing.

After graduation, the problems of communication with the student are compounded. As many of you know, or may have personal experience with, when you graduate from college in today's mobile society, fewer and fewer students are returning to their hometowns. These are the home environments that provided the funds for you and I and people like us to go to school. If a student moves off to the west coast, he may or may not remember the lender back in Neenah, Wis., that helped him to get his education. He may or may not take an active role in communicationg with those people and establishing the replayment program that the bankers are looking for.

I guess I would like to cite a personal example of a breakdown in the system that we are experiencing at this present time in our own bank. We had a student of a well-established family in town who came to us and obtained a student loan. The student enrolled in a college in Kentucky. After one term the student dropped out of school. Now, morally you would say it is the responsibility of the student to notify the bank that he has left school. This was not the case. Not only did this not happen, but the school made a tuition refund to the student, which was the loan funds that we had advanced. Those funds did not come back to the bank. To this date, the student has been out of school for some 9 months and we have to this day not been notified by the university that this student dropped out. We know this had happened, and rightfully or wrongfully we are testing the system to see how long it is going to take. In this particular instance we have no fear of losing the funds that were advanced. We know the people, we know where they are, the funds are on deposit in our bank in a savings account. That is a bit of irony, but we are not entirely satisfied with the program and this is kind of our own little test to see what will transpire and how long it will take.

This same student is enrolling in a Wisconsin university this fall and it will be interesting to see what happens at the time he then applies for another loan. I am sure we will grant the loan. He will qualify under all the rules, but it will be interesting to see what notification we receive on the part of others involved in the program.

We have tried using some of the servicing agents that are available in the student loan program, HEAB being one, and I would have to say that we are not entirely satisfied with what is coming out of the servicing agents. We are not close enough to know their problems, and I am sure they have problems. The HEAB unit in Wisconsin, as I understand it, is, to coin the old phrase, overworked and understaffed. They have taken on a tremendous task of servicing many, many of the lenders and a vast number of student loans. They tell us that they have very few people with which to do this job. It becomes a tremendous task for many of the reasons that I have already expressed to you.

I would like to impart, I think, some of my personal views on student loans or lending programs overall. I think you should recognize that they are bound to be biased. I have been brought up as a lender. I hope to continue operating as a lender, and I have to think in those terms. I like to think also that they are pragmatic and at least in some way realistic too.

I think many of the conditions that are set out in the student loan programs are too easy. They provide maybe too much incentive on the part of students to go to school or to enroll in school because they think they would like to enter into something. I am sure this rubs the grain of many of our educators entirely the wrong way. The obligation that they incur when they borrow money to get an education, to my way of thinking, should be the primary obligation when they have concluded their schooling. They must bear in mind that the lender, wherever it was that they obtained the funds, was the source or one of the major sources that provided that opportunity to the student. They should respect that and make every effort to thank, by terms of repayment, prompt repayment, the considerations that the lenders have provided.

The extended programs today of financing a 3-year education or a 4-year education over a 15- or 20-year period are totaly adverse to sound lending policies. It becomes almost to the extent that the concept of the student loan takes on the connotations of a charge card. They want you to be in debt, they want you to make very small payments because it is easy. That is not, to my way of thinking, the impetus of the program.

I would have to agree with some of our previous panel members, I see no reason to waive repayment for persons entering any type of profession or any group, for that matter. By waiving repayment for teachers, VISTA volunteers, service enlistees, that, to me, is saying that these people do not have to own up to that obligation and by entering in these professions they have taken on a more important station in our economic society than an industrial engineer in some major facility around the country, or, for that matter, myself as a banker. I am a member of the financial community, which is an important element to the entire society. That kind of rubs me the wrong way. I am not sure I can accept that. Nor do I think I want to.

In closing, I think I would like to make one or two more brief points. You gentlemen, as State and Federal officials, have recognized that the loan programs are in trouble or you wouldn't be holding these hearings. I am sure that by now you have realized that there is an increasing number of lenders who are expressing reluctance to either enter the program or continue with the program.

You have called together various groups of people whom you believe have some insight into what is going on, the end-users, in terms of the students; the educators, in terms of the programs they provide; the lenders, in terms of the people who provide the funds. I would think that it would behoove you greatly to not only hear what we are saying, but to listen closely.

We need to, from the standpoint of the lending program, get back to good sound lending basics if you plan to entice or induce lenders to continue.

As I see the spectrum of the whole program, there are basically three elements involved. I think this is the educators, who are doing all in their power to provide good programs of an educational nature, to provide information and sources for their students to obtain funds to continue, and in that light I think they are doing their jobs. There is the Government agency, be it State, Federal or whomever, who has a twofold responsibility. One, either to make the direct loans yourself or to provide the proper inducements for the lending community so that they would wish to be involved in the programs. In this light I think we are failing at the present time.

I think you need to provide the inducement, the educators need to provide the curriculums, I think you need to count on the lenders to provide good commonsense lending criteria, and I hope no one takes offense, but I don't believe the lenders should be telling, I'm sorry, the educators should be telling the lenders under what terms they should receive repayment, nor do I think they should be influencing that decision.

Their position is to say this is the curriculum programs, this is where you may seek out financial aid. Your job is to provide the inducements necessary to make the funds available and the lenders will provide the reasonable terms and conditions that make it proper for lending.

I do not wish to set curriculum programs, nor will I enter into them. I do not intend to get involved in the government politics and go out and try and scare up sources of funds. If we are going to be involved, if we are going to lend our money, I think we should at least have a direct and paramount impetus for helping to establish what we feel are reasonable means and bounds.

Thank you.

Mr. Simon. Thank you, Mr. Prough.

Mr. James A. Jung.

STATEMENT OF JAMES A. JUNG, EXECUTIVE SECRETARY, HIGHER EDUCATIONAL AIDS BOARD, MADISON

Mr. Jung. Thank you, Chairman Simon, Congressman Petri.

My name is James Jung. I am the executive secretary of the State of Wisconsin Higher Educational Aids Board, who is, among other things, the largest by far lender under the guaranteed student loan program in Wisconsin. As the largest lender, I am in profound disagreement with your comments, Mr. Prough.

Second, I am also the vice-chairman for administration of the Wisconsin Higher Education Corp., the State guarantee entity in Wisconsin for the guaranteed student loan program. In that capacity, I am profoundly concerned about your comments and I am sure you do not represent the views of our over 550 private lenders in the program.

With me today is Dick Johnson of my staff, who is a key member and responsible for the front-end operation, the student support end of our activities.

I want to express my appreciation to you for the invitation to participate in what I understand is the first public hearing held outside Washington on the critically important issue of reauthorization of title IV.

The primary purpose of my prepared remarks is to describe briefly the general role of the board in managing the financial aid system in Wisconsin, and then to describe specifically how the guaranteed student loan program fits into this structure. I would then be happy to respond to any questions you might have.

I have been in this business ever since the program began in the late 1960's. I have seen a lot of changes. I would rather talk about what you would like to talk about.

The Higher Educational Aids Board is an independent State agency charged with the responsibility of administration of Wisconsin's student financial aid system. The board is unique in that it is the only education agency which includes as members representatives of the University of Wisconsin Board of Regents, the members of the State Board of Vocational, Technical and Adult Education, and trustees of private colleges and universities, as well as the general public.

By working closely with Wisconsin's post-secondary educational systems, and with the private lenders in our State, we have been able over the past 14 years to develop a comprehensive, coordinated, equitable, and efficient, yet relatively simple financial aid delivery system.

In response to the public's legitimate call for greater simplicity, we have incorporated a series of management efficiencies, the result of which has been a simplified Federal-State-institutional partnership with a focus on the citizen and the individual student. The student enters the system by completing a single application form which is designed to determine the student's family financial strength, as well as his or her eligibility for all Federal, State and institutional programs. After completing the financial aid form, hereafter referred to as FAF, the student forwards the form to the College Scholarship Service, hereafter referred to as CSS, for analysis. The CSS determines the student's financial strength using the nationally accepted uniform methodology. Next CSS determines the student's eligibility for the basic educational opportunity grant, hereinafter referred to as BEOG, the Federal Government's entitlement program which serves as a foundation upon which the rest of the student's aid package is built.

The results of these CSS determinations are then forwarded to both the Higher Educational Aids Board and the institution in which the student plans to enroll. The board then determines the student's eligibility for a State grant, the second component of the aid package. If the student is enrolled in a public institution, the board will determine the student's eligibility for a grant of up to $1,800 through the Wisconsin Higher Education Grant program, hereinafter referred to as WHEG. If the student is in an independent institution eligibility for tuition grant of up to $1,800 will be determined.

This information is then transmitted to the institution which is responsible for the third and most critical stage of the packaging process. Knowing the amount of the student's need and eligibility for the Federal BEOG and State grant programs, the institution determines the amount of remaining unmet need, selects the campus-based programs it will use to meet this need, puts the final package together and notifies the student. In addition to the institutional resources that may be available, the institution can use funds from the Federal SEOG, CWS, NDSL, et cetera.

The Middle Income Student Assistance Act, MISAA, dramatically increased the amount of Federal aid dollars available to students. State programs have also expanded with maximum awards increased to $1,800 as well. We are estimating that 85,000 Wisconsin students will apply and that 65 percent or over 55,000 will be eligible for Federal and/or State grant aid in 1979–80.

Despite the improvements in grant programs, not all middle income students qualify for need-based aid, and others find that the amount of their aid is insufficient to meet the increasing costs of education. This is where the guaranteed student loan program, GSL, fits into the picture. A student may borrow up to $2,500 from over 550 Wisconsin private lenders participating in the GSL program. Again as a result of the Middle Income Student Assistance Act, program access has been expanded dramatically. MISAA removed the previous $25,000 family income eligibility limit on interest benefits and now all students regardless of family income may receive the 7 percent interest benefits in their behalf while they are enrolled.

The Wisconsin Higher Education Corporation, WHEC, a nonprofit corporation established by the Higher Education Aids Board, is the State guarantee agency responsible for administration of the program in Wisconsin. It provides the 100 percent unconditional guarantee of all loans made by private lenders. MISAA's impact was already evident in 1978–79 when 32,500 students received over $53 million in loans from our private lenders. This level of activity represented an increase of over 30 percent from the previous year when 26,000 students borrowed $41 million.

Serving primarily as a lender of last resort, the State provides loans to those students who are unable to obtain them from private lenders. The State's commitment to the loan program is longstanding. Its original version was adopted in 1933 as an antidepression measure. Since that time, Congressmen, we have made every mistake that can be made in association with the program so now we think we know how to do it. Most recently the State has shifted to revenue bonding to capitalize the State program. This program, too, showed a dramatic increase in activity in 1978–79 when $15.5 million was loaned to over 10,000 Wisconsin students, a 46-percent increase over 1977–78, when 8,000 students received $10.5 million.

It is obvious that lender participation is a key to the success of the GSL program. The WHEC engages in a variety of promotional activities to enhance and encourage lender participation, which over the years has met with success. This success is obvious by looking at the numbers. Responsive program administration has given the lenders confidence that they are participating in a well-managed program. Apparently there are some who disagree with that. Loans are processed and claims are paid in a timely manner. A new service has proven particularly helpful in our effort to expand lender participation. Under our lender servicing program we now are servicing loans made by private lenders, thereby relieving them of some of the administrative burdens of the program. There is a substantial waiting line to get into our lender servicing program. Those lenders who are participating in the program are enthusiastic, and with one exception apparently, and their expanded support of the loan program is proof that the loan servicing effort is paying off.

In my personal view, those changes in the loan program which result from the reauthorization process now underway should build on the success of MISAA, recognize the critically important role of the States in administration of the program, once and for all settle the access question, making sure that all citizens of this country have access to this program without equivocation regardless of income and ease the burdens or repayment by extending the repayment period and allowing greater flexibility. At the same time, an effort should be made to identify ways to imaginatively reduce significantly the costs of the GSL program without loss of public purpose or access. They are there.

I hope my brief description of Wisconsin's aid structure has been helpful. I would welcome any opportunity to respond to any questions you may have.

Thank you.

Mr. SIMON. Thank you very much, Mr. Jung.

[Prepared statement of James A. Jung follows:]

PREPARED STATEMENT OF JAMES A. JUNG, EXECUTIVE SECRETARY, HIGHER EDUCATIONAL AIDS BOARD, MADISON

Congressmen Petri and Simon: My name is James Jung, and I am the executive secretary of the State of Wisconsin Higher Educational Aids Board. I want to express my appreciation to you for the invitation to participate in what I understand is the first public hearing held outside Washington on the critically important issue of reauthorization of title IV of the Higher Educational Act.

The primary purpose of my prepared remarks is to describe briefly the general role of the Board in managing the financial aid system in Wisconsin and then to describe specifically how the guaranteed student loan program fits into this structure. I would then be happy to respond to any questions you might have.

The Higher Educational Aids Board is an independent agency charged with responsibility for administration of the State-sponsored student financial aid programs. The Board is unique in that it is the only educational agency which includes as members representatives of the UW Board of Regents, the State VTAE Board, independent (private) colleges and universities and the public. By working closely with Wisconsin's post-secondary educational systems and with the private lenders in our State, we have been able over the past 14 years to develop a comprehensive, coordinated, equitable and efficient yet relatively simple financial aid delivery system.

In response to the public's legitimate call for greater simplicity we have incorporated a series of management efficiencies, the result of which has been a simplified Federal-State-institutional system with a focus on the citizen. The student enters the system by completing a single application form which is designated to determine the student's family financial strength as well as his/her eligibility for all Federal, State and institutional programs. After completing the Financial Aid Form (FAF) the student forwards the form to the College Scholarship Service (CSS) for analysis. The CSS determines the student's financial strength using the nationally accepted uniform methodology. Next CSS determines the student's eligibility for the Basic Educational Opportunity Grant (BEOG), the federal government's entitlement program which serves as the foundation upon which the rest of the student's aid package is built.

The results of these CSS determinations are then forwarded to both the Higher Educational Aids Board and the institution in which the student plans to enroll. The Board then determines the student's eligibility for a State grant, the second component of the aid package. If the student is enrolled in a public institution, the Board will determine the student's eligibility for a grant of up to $1.800 through the Wisconsin Higher Education Grant (WHEG) program; if the student is in an independent institution, eligibility for a Tuition Grant of up to $1,800 will be determined.

This information is then transmitted to the institution which is responsible for the third and most critical stage of the packaging process. Knowing the amount of the student's need and eligibility for the federal BEOG and State grant programs; the institution determines the amount of remaining unmet need, selects the campus-based programs it will use to meet this need, puts the final package together and notifies the sudent. In addition to the institutional resources that may be available (grants, work, short-term loans), the institution can use funds from the Federal Supplemental Educational Opportunity Grant (SEOG), College Workstudy (CWS) and National Direct Student Loan (NDSL) programs to complete the packaging process.

The Middle Income Student Assistance Act (MISAA) dramatically increased the amount of Federal aid dollars available to students. State programs have also expanded with maximum awards increased to $1,800. We are estimating that 85,000 Wisconsin students will apply and that 65 percent or 55,250 will be eligible for Federal or State grant aid in 1979–80.

Despite the improvements in grant programs, not all middle income students qualify for need-based aid, and others find that the amount of their aid is insufficient to meet the increasing costs of education. This is where the guaranteed student loan (GSL) program fits into the picture. A student may borrow up to $2,500 from over 550 Wisconsin private lenders participating in the GSL program. Again as a result of the Middle Income Student Assistance Act, program access has been expanded dramatically. MISAA removed the previous $25,000 family income eligibility limit on interest benefits, and now all students regardless of family income may receive 7 percent interest benefits in their behalf while they are enrolled.

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It is obvious that lender participation is a key to the success of the GSL program. The WHEC engages in a variety of promotional activities to enhance lender participation. Responsive program administration has given the lenders confidence that they are participating in a well-managed program. Loans are processed and claims are paid in a timely manner. A new service has proven particularly helpful in our effort to expand lender participation: under our lender servicing program we now are servicing loans made by private lenders thereby relieving them of some of the administrative burdens of the program. Those lenders who are participating in the program are very enthusiastic, and their expanded support of the loan program is proof that the loan servicing effort is paying off.

In my personal view, those changes in the loan program which result from the reauthorization process now underway should build on the success of MISAA, recognize the critically important role of the states in administration of the program, ensure open access to loans for all students regardless of income, and ease the burdens of repayment by extending the repayment period and allowing greater flexibility. At the same time an effort should and must be made to identify ways to reduce significantly the costs of the program without loss of purpose or access.

I hope my description of Wisconsin's aid structure has been helpful. I would welcome the opportunity to respond to any questions you may have.

Mr. SIMON. Ms. Gibson.

STATEMENT OF ELAINE GIBSON, M. & I. WESTERN STATE BANK AT OSHKOSH

Ms. GIBSON. Mr. Chairman, Congressman Petri, I am Elaine Gibson. I am assistant vice president of the M. & I. Western State Bank. I am here to testify in regard to the guaranteed student loan program on the local level and everything that Mr. Prough has said I agree wholeheartedly with him. So I won't go into that part any further.

We do feel that there is a need to help families and students and help provide an education that might not otherwise be accomplished because of their individual financial situation.

However, the student loan program has been one of the most abused programs in existence. Our bank is no different than any other bank with delinquent and defaulted loans. We began participating in this program in 1969 in September and as of June 30, 1979, our default rate is 9.48 percent. As one student said, "When I have money, I'll make my car payment, but not my student loan payment. You can repossess my car, but you can't take away fom me my education." So that goes for that.

We presently have $36,576.59 defaulted loans and $43,228.99 outstanding delinquent loans made to 131 students. Of this total, 19 students have defaulted and 23 are delinquent. So 32 percent of our students in payout are causing 44 percent of our problem.

There is merit to the student loan program. However, in order to prevent abuse there must be full cooperation between the schools and financial aids personnel and financial institutions. In this regard, I offer the following comments and suggestions.

1. Student loan assistance should be obtained through the State of residence, not the State where the school is located. This would aid the financial institution in a followup once the loan is in the payout status.

2. The purpose of the student loan program is to provide assistance for education, and I feel the educational institution should administer more carefully the educational costs so the funds are used for education and not used to purchase automobiles, cycles, et cetera. One has a pretty good idea of total costs of education. I can't understand why a technical school will indicate total costs of $8,000-plus, while the university costs are shown on an average of $3,200-plus. Also, on some applications you can see where a student has requested a loan of $2,000 and the school has crossed out this amount and has entered $2,500. Students should be allowed only the amount of money needed for the education and not additional amounts because they are available.

3. When an educational institution completes their portion of the application, they will indicate the loan is for one entire school year, both fall and spring semesters. One disbursement is made to the school. I feel the school should credit tuition for both semesters when they receive the funds. Should the student withdraw from school, the school should notify the financial institution and any refund should be applied to the student loan at the financial institution and not be given to the student. In this regard, I recently had a case where a student applied for summer school funds. She applied for summer school funds and then withdrew because it was just too much for her. The

school refunded the money to the student and advised me of her withdrawal. I contacted the student and asked her what she was going to do with the money. She said she didn't really know, but she was going to use it for something. I told her if she was going to use it for schoool—if she wasn't going to use it for school she should apply the money toward her student loan inasmuch as I know she will be applying for financial aid in September. In this instance the school was administering this program in cooperation with the financial institution by letting us know that she did withdraw. However, I am sure that there have been numerous occasions in the past where we didn't know about the student's withdrawal and the money was refunded and used by the student for something other than education.

And I also recommend that the schools provide the financial institutions a current list of student withdrawals from the school so that a proper followup can be made to be sure that the money isn't being used for anything but education.

I also recommend that students being assisted financially through this program maintain a C grade point.

5. I also feel that the unemployment deferment is too lax. A considerable amount of time is spent contacting the students to find out what their employment status is and it is too easy for students to say they are not working or they are working only part time and don't have enough income to make loan payments.

6. Financial aids personnel should monitor more closely each student loan and encourage the students to work with only one financial institution rather than several. I know of students who have loans with several banks and when it comes time to make loan payments they are going to be financially strapped because of making so many payments to too many different financial organizations. One payment to one financial institution makes more sense to me.

7. I recommend that the students participating in the program live on campus, and this housing expense should be included on the application. The school could take out these costs for the year so students won't have the opportunity to spend the money on other things.

8. I also recommend that when a student defaults this information should be reported to the credit bureau, as we do with all other loan charge-offs. I see this in the Maguire plan which is one of the things that should be incorporated.

As far as increasing the loan limits, I feel that, I suppose, with everything going up in this time and age, that it should be increased. The loan limit should reflect the normal costs of attending the university as a resident.

On this section 4, optional Federal repayment service and income-based repayment, that sounds awfully complicated to me. I don't know if they would ever get through with all that, but we do agree that repayment should be a little more reasonable at times because some students do have as high as a $15,000 repayment program. Sometimes a student goes to school for 8 years and they only have a 7-year repayment program. I do agree that we could extend this a little bit.

I do think that maybe it would be a good idea for the IRS to monitor repayment. I don't know just what that would involve.

As I said before on the defaults, section 11, reducing default losses, and it says that this procedure should result in denials of credit for home mortgages, shopping cards, at cetera, and I think that is a good idea.

As far as compounding and accrual interest, I don't think there should be any waiver of interest for anybody. I think everybody should pay their interest.

Mr. SIMON. We thank you, Ms. Gibson.

I would direct this question to both Mr. Prough and Ms. Gibson.

What happens right now when Tom Smith or Jane Jones comes in to your banking facility and neither he nor she nor their family are now customers of your bank and they ask for a student loan, what is the procedure, what happens?

Mr. PROUGH. In our institution, we will refer this customer, this prospective customer, to their own bank for participation in the program. If their bank is not participating for one reason or another, then we as a rule, but not without exception, would not process an application for a student loan based on that relationship. In today's economy, money for lending is quite restricted, at least in our shop, and I am sure that is true of many others. We are making our available funds there for our present customers and their uses and that goes for the student loan program, it goes for housing programs, it goes for business programs. It is across the board. The funds available in our institution are for our customers as much as possible. We are not actively soliciting student loan applications. We are not actively soliciting automobile paper, auto loans. We are not promoting home mortgages to any great extent. Even those have been confined either to residents who are customers of our bank, or people moving into the community who need to establish a banking relationship.

Mr. SIMON. What do you tell Tom Smith who has gone to a bank where they don't or Tom Smith may come from a family where the family has no bank?

Mr. PROUGH. We would refer Tom Smith to WHEG.

Ms. GIBSON. The student normally goes to the financial aids office. They say go to your bank. So if the student doesn't have a bank or the family doesn't have any bank or an account relationship with any bank, he comes and he says he doesn't have a bank account here, my parents don't have an account here, but if you issue me a denial I can get it through the financial aids direct loan. So, then, we issue the denial and let them go that way. We, like Mr. Prough said, we only have funds available for our own customers. It is just getting to a point where it is just mushrooming into so much money that we just can't afford it.

Mr. SIMON. What is your default rate? Ms. Gibson mentioned hers. Do you happen to know offhand, Mr. Prough?

Mr. PROUGH. No; I could not quote you a figure on that. We have in excess of a quarter of a million dollars out in student loans at the present time. I could not quote you a default figure. By default, as was pointed out, the probability of financial loss to the bank is almost nonexistent because of the guarantee. That is not the extreme rub in the situation. It is the administration, the costs of the administration that goes into this type of a program which are causing problems in our shop. It is not the fear of losing the dollars. It is the cost of the thing.

Mr. **Simon**. If suddenly you were put in charge of administering the program, how would you change the forms, the process?

Mr. **Prough**. Administering the program at what level, the State level?

Mr. **Simon**. Whatever level you choose. What I want to do is simplify that problem for the lender, in addition to making it accessible too.

Mr. Prough. I don't know that I can answer that question based on the knowledge that I have. I can make a lot of off-the-cuff recommendations, but I don't think that they would be appropriate. I believe there exist a great many aids that could be utilized by HEAB if they are serving the obligations, the lender if he is servicing his own, that would exist through the Federal or State agency promoting the program if they were allowed to be used. The idea of IRS records is one that I could see as a tool that would be of help in tracing students who you are having trouble locating or who have defaulted in an obligation. Again, this kind of gets back to the geographics of where does the student end up. If he is out on the West Coast, I can have great difficulty in finding him, communicating with him, getting cooperation. You sometimes need a lever in collecting delinquent accounts, be it student accounts, an auto loan, whatever. Involvement of a government agency may provide that lever.

Mr. **Simon**. One final question to the two of you, then I have a couple of questions for Mr. Jung. The problem of institutions not notifying you, now the institutions are supposed to be notifying you, but—when there is a dropout—but is this a fairly common thing, or is this one-fourth of the cases or one-half?

Ms. **Gibson**. I couldn't tell you what the percentage is.

Mr. **Simon**. But it is not uncommon?

Ms. **Gibson**. What do you mean, uncommon for what?

Mr. **Simon**. For them to fail to notify you when a student drops out.

Ms. **Gibson**. Just in the last year, year and a half, we have got some notification, otherwise we never get any notification. That is what we are complaining about because we have no way of knowing when the student drops out of school.

Mr. **Prough**. I would say, and, again, I could not quote a statistic, but I would have to say that it is not uncommon to have that type of a situation. Again, from the standpoint of the university, you have to have some sympathy for their situation, too. The larger schools may have several thousand students on these programs. To keep track of who John Smith has his loan with, or he may have more than one loan with several lenders, and it becomes quite a problem for them. We are trying to administer it to the 300 loan applicants that I have. They may be doing it with several thousand students. There is a problem that exists. I would have to, I guess, in defense of everyone, I think the program is basically sound, but rather than promote three new programs or come in with something entirely different, we should address ourselves to the problem areas and refine an existing program and not institute a new program and have to go through the same process 2 years from now. I don't believe that type of thing works out very well. That is a long-winded answer to your question.

Mr. **Simon**. Thank you.

Mr. Jung, first of all, I couldn't help but notice that one of the reasons that people get irritated with Members of Congress and people who are involved in Government is all our abbreviations. You have 11 of them in there and once in a while we manage to confuse people.

First of all, you may have some response to the questions I directed to the other two.

Mr. JUNG. Yes; I do. First, the default rate of both of their institutions is zero if the loans have been properly made.

Mr. SIMON. Ultimately zero you mean?

Mr. JUNG. Well, no; the default rate of the corporation as a whole, which is the key number, that is, guaranteeing over $220 million out there, is now at 6.5, historical default rate. The claims rate, which, as you know, is one of the products of the Higher Education Amendments of 1976, is at 3 percent. We will end up the year at about 3 percent.

As you know, the Higher Education Amendments of 1976 stipulate that after 60 days of delinquency, a lender is responsible, is obligated under due diligence to contact the guarantee agency and notify them of the 60-day delinquency. Our cure rate under the 60-day rule is 64 percent. When a claim is 60 days delinquent, it is supposed to come to us and then we restore the paying relationship. We are supposed to find the lender. Then at the 120th day, 121st day, we purchase the loan and we proceed with legal collections. It becomes a corporation collection problem.

The problem of institutional notification of an enrollment change is indeed a very difficult one, but the institutions, I don't think, can be faulted. After all, there has been a revolution in the last 15 years on the rights and prerogatives of students, so that if institutions are barely able to get the name of the student enrolled, they are lucky, without having to run into a lawsuit.

Since we are the largest State lender in the program, as well as the guarantee agency, we have built in incrementally cooperation with the institutions on improving this. It was really bad 2 years ago and it was awful last year and now it is just bad. Next year it is going to get better, but it requires an evolution of cooperation between the loan program and the institutions. That is what we have and that is what we are working on.

From a corporation point of view with our over $200 million out there, we are not worried.

Those are the comments I would have on the earlier questions.

Mr. SIMON. On page 2 you say: "We are estimating 85,000 Wisconsin students will apply and 65 percent will be eligible." The 65 percent is what precisely?

Mr. JUNG. They are the ones that will end up with grant aid, either BEOG and/or State grant support. All of them are entitled to access to the loan program. We have 100 percent access. We want the people you turn down.

Mr. SIMON. You heard the question earlier on the ceiling. Do you have any comment, Mr. Jung, on the whole question of what the maximum of that loan ought to be?

Mr. JUNG. I think that the improvement as the result of the Higher Education Amendments of 1976 was good. I think they are adequate now probably for some of our more higher cost institutions. I think there probably ought to be some flexibility there. I would suggest there should be some additional flexibility of the financial aid officer to provide an exception, not just raise all of them arbitrarily, the limits arbitrarily, but let the financial aid officer make a recommendation. In our system, the financial aid officer has wide latitude to take care of the individual needs of the citizen and the student. We want that. We don't want our people victimized by a computer any more than they already are, any more than we are.

So I would, in a more direct response, they ought to have a reason for increasing above the limits. Those reasons should be stated by maybe 10 or 15 reasons, but it ought to be up to the individual financial aid officer.

Mr. SIMON. The other question you heard earlier, but what do we do about States that frankly don't have an excellent program like you have in Wisconsin and that we have in Illinois?

Mr. JUNG. Well, I think Congress has been kind of unclear. It is for Congress to speak with maybe a clearer voice. One of the problems with the guaranteed student loan program from the very beginning is who is it intended to serve, where was the bottom line, was it the lender or the student. We have heard—ever since we started talking about this program we have tied the concern for the program to capital availability from the private lender and yield, rather than perhaps giving some consideration to tying it to the costs, to another cost of money, and lowering the costs of administration.

I think that if Congress had put as much effort since 1965 in promoting States and State administration of the guaranteed student loan program as they had in increasing yield to the private lenders in this country, there would be no question but that we would have State administration of this program, and the overall costs of it would be significantly lower.

I think again what can be done now is an incremental process of focusing, continuing to focus on the State administration, and develop some carrot-stick incentives for States to get into it, some options. If a State does not want to get into it, it would seem you would have to provide an option for them, but make sure it costs a little bit more so that the citizens of those States are willing to share some of the burden of the cost and make an effort at serving their clientele.

Your job is a difficult one, but I surely think it can be done. I would hope and plead that you not go back or that Congress not go back to this single entity or use Sallie Mae or anything like that. That would be turning the clock back and not forward.

Mr. SIMON. Mr. Petri.

Mr. PETRI. One of the objections that is raised sometimes to the State funding is that States raise the money at a Federal tax free rate and they borrow in excess of the State's actual lending requirements and make money by reinvesting these funds. I think one of the Dakotas is supposedly in the process of making several million dollars a year by overborrowing essentially the student loan programs. Is there any way we could be protected against that or is that actually a major problem? Are you doing that here in Wisconsin?

Mr. JUNG. We are using revenue bonding issue tax exempts. The arbitrize reforms of last year have sharply reduced that. You can only invest proceeds for the purpose not intended for up to 3 years. Maybe you could shorten that up to 2 years or even 1 year and say you can't borrow for more than your reasonably expected needs for 1 year. Surely allowing States to raise money in the tax exempt market is surely an ultimate benefit of the Federal Government to the States, but mostly to the citizens. It is much less costly than a heavy subsidy program, for example, and it allows many more people of different kinds to invest in the student loan program, which is, after all, a form of investing in the human capital of our future. I think that the investing, using investing in our tax exempt markets, is relatively modest right now so that Congress surely could take care of any abuses or potential abuses, in my judgment.

Mr. PETRI. Earlier in your testimony you indicated that you do believe that the State government and State agencies should play an important role in administering the guaranteed student loan program. I wonder if you could tell us how, practically, the State role could be expanded or incentives for expanding it could be put in by the Federal Government, given the diversity of the situttion we have got to deal with?

Mr. JUNG. Well, I think that the world is a little bit different now, looking into the 1980's and 1990's, than it was starting with the 1950's and 1960's and 1970's with the enrollment declines coming, so maybe we can look at different—everyone is more concerned about accountability, about hanging on to their student base, et cetera, so some of the problems that faced Congress in 1965 you don't have to face in 1980. They are probably harder ones, but some of those you don't have to face again. It would seem that offering incentives, not unlike what you did in offering incentives in the Higher Education Amendments of 1976, I think before that there were something like, what, 26 State guarantee entities and now there are 44 or some large number. I think there are some improvements that could be made there, too.

Those incentives were not particularly costly or difficult to come up with. It would seem that when—if you tie some part of the action to the States, the State governments are going to respond. Right now in the student financial aid area the primary relationship is between the institution and the Federal Government, even though the States have to come up with the biggest bucks, and the States aren't included. We all know what happens when you don't get included, you don't have much interest. So Congress could somehow bring into the equation State Governors and State legislators and State programs and treat the student financial aid effort as a cohesive whole, we might be able to do more with the same amount of bucks and, in some respects, even fewer dollars.

The record seems abundantly clear that there are ways, rather low-cost ways, of providing incentives to States, much cheaper than providing additional—I think the incentives would be much less costly in the long run than worrying about this question of yield all the time. It is almost as if there is a gun pointed at Congress' head all the time, either increase the special allowance or there will be disaster. That is just not true. If States were in it, there wouldn't be disaster.

Mr. PETRI. Just stepping back from the whole program, are there any ways we can reduce the costs of the individual student's financing his education without drawing out funds?

Mr. JUNG. Well, you know, one of the things that we are doing in the loan program is providing the subsidies maybe at the wrong time in someone's career. We have fully implemented on the national level a need-based grant system that works rather well. Why can't we think about a need-based interest subsidy system on low-cost educational loans which crank in during a repayment period. When we find out what kind of a job a student gets when he leaves school, maybe he isn't lucky, and maybe those are the people we should more heavily subsidize. If not that, give the subsidy to the student on the front end, as we do with grant aid, in the same way. Those students who generate need, give them a subsidy and have some of that go on to the—have the rest of that go on to the principal. Another is surely the special allowance. The students don't receive any benefit from that. I am surprised that the private lending community continues to say that this is not a competitive investment. It is a 100 percent fully guaranteed riskless investment. I know from the State point of view it clearly is. The special allowance could be cut in half and we would still have enough to meet our investments, our cash flow on our revenue bonds. The trade-off there is allowing States to go into the tax exempt market. I don't know what that trade-off is, but I sure think it is cheaper than just another percent here and another percent there on special allowance.

Also, the question of servicing. We are at last getting some hard facts on how much it really costs to service the guaranteed student loan program. We do have, as I mentioned in my testimony, a private lender servicing our program and our rates include all of our costs, compensation for all of our costs, direct or indirect costs. Our rate structure now is about one-third below a private lender servicing entity in another State that has a substantial student loan administration. I don't accept the proposition that the State and Federal Government can do anything well or better than the private sector. I think when we are dealing with this kind of student who is not a used car, he or she is a dynamic force and we are investing in their development, government is designed to manage these kinds of things and these kinds of programs and we do it quite well, if given leadership.

Mr. PETRI. Do you have any views on what steps can be taken by the Federal Government or by the States to insure access by all students?

Mr. JUNG. I wish Congress would say it. Say it unequivocally so that the States can't hedge any more that, by gosh, if you are going to participate in the guaranteed student loan program you are going to make sure 100 percent of the citizens are involved. I was utterly amazed at the national asosciation, of which I am a member, I don't know if we are paying dues any more, but it hedges on that question. The government-sponsored entities, lobbying associations, not being committed to access in this program. I think Congress should—one line can take care of that.

Mr. PETRI. You have had dealings with Sallie Mae and I wonder if you could give us your impression of how well they have done their job?

Mr. JUNG. Well, Congressman, the nicest thing I can think of to say about Sallie Mae is that it has become an unmitigated public policy disaster. Last night in reviewing material for this hearing, I read Secretary Califano's comments about Sallie Mae. If I were a little younger, I would have memorized them. I don't think they can be improved upon. Here we have a public entity living off of public money who is doing nothing but serving our very large lenders. I think as soon as we come up with some kind of secondary market alternatives, because I think our private lenders do need a place, a secondary market, but the States can provide that, Sallie Mae should be eliminated.

In Wisconsin we had one occasion to deal with Sallie Mae, really two, but only one significant one. We had a capital shortfall in our State program and we went to Sallie Mae and they said sure, we will come and help you, but it is going to cost you 5 percent. We said, what, you are bureaucrats just like we are. At that time we didn't know there was $130,000 paid to the top guy. They said no, we will buy your loans at 5 percent discount. So we went to three of our private lenders, who are in the business of making a lot of money, and they made the sale and we were able to keep the program going. I think Sallie Mae should be killed.

Mr. SIMON. If my colleague would yield, one of the proposals under the Kennedy bill is to change the structure of Sallie Mae and make it a nonprofit organization. Any comments on that?

Mr. JUNG. A rose by any other name is still a rose. I think that everyone would be better off to start anew and recognize that as a failure. Do you remember the old Roosevelt "Blue Eagle" and it was probably more deserving than this.

Mr. PETRI. We have heard a lot of testimony about the problems that banks have, and they are significant problems, in loan collection. These are a little different from the normal loan in that you really can't expect a student to pay back the principal for at least a period of years. There are a lot of basic principles of loan policy that almost have to be at least bent a little in making a loan program like this work, especially if you are going to help the people who really need to borrow the money. What suggestions do you have for improving the flexibility of the student loan?

Mr. JUNG. I think that one of the really refreshing things about the proposals that are before you is that there seems to be some growing acceptance of extended repayment, income contingency, and that people are becoming less fearful of that as options and as an alternative. I think they are good.

Another might be to think of providing additional incentives to the State guarantee entities to get into the action earlier. After all, maybe the private lender can pass the note to the guarantee entity and the guarantee entity can then set up extended repayment options so that the private lender, who, after all, is not set up to handle a variety of repayment options, as this program has, can do it.

Mr. PETRI. Would you two concur on that? If there were a default you could just turn them over and be repaid at that point or——

Mr. JUNG. They do now. After 120 days after we get the situation as a default, then we work with the student and we will recover most of that. We can go 20 years. We have gotten judgments on people who are serving life terms. That is one of the things that Government has is time. Government will be here long after we are. We can work with the student, but there is some embarrassment in the student facing a default. I think why not offer an opportunity for a student to stay with the program. That is what I meant by getting in earlier. Maybe at the 60-day delinquency stage. Perhaps Congress can say you guarantee entity, you buy the note in 60 days instead of 120 days and work with the student on extended repayment. After all we are in the business to do those kinds of things.

Mr. PETRI. Do you have any views about whether it is advisable or whether there is some mechanism that would make it sensible to consolidate all the different loans a student might have taken out in the course of his education at the time of graduation, or within a reasonable period after graduation, in order to facilitate repayment and save a lot of duplication of paperwork and maybe make it easier for the student to be able to repay?

Mr. JUNG. Absolutely. I think that that request was made to the legislature on the part of my board to do that. The State program now has just $150,000 worth of authority to do exactly that. Private lenders can do it right now, though, Congressman. I think maybe one of the things that could be done in States like Wisconsin is to find a private lender or a group of private lenders to serve as kind of a clearing-house and who will buy and sell loans made by lenders who encounter an individual with many loans. We have got—in a State like Wisconsin, we do have the organization in place to do a lot of things like you are saying. I recognize your problem is one nationally. I wish maybe we could get together and figure out some way of a 5-year program to test some of these things out and encourage States to develop the wherewithal to do these kinds of things.

Mr. PETRI. I just have one or two other questions. You testified, I think, that participation in two of your programs in the past year increased by 30 percent in one case, and 46 percent in the other. Is that due to the change in Federal legislation or is that due to changes in your own administration or what is the explanation for the rapid growth?

Mr. JUNG. Relative to administration I would like to believe that you can't improve on excellence, but I don't think I can say that. It is really due——

Mr. PETRI. Your honestly exceeds your humility.

Mr. JUNG. I think it is due largely to MISAA. I think that we are seeing a lot of folks who want access to the loan program and that is all they want is access to the low-interest loan program to come forward and take advantage of it. I go to labor unions a lot or I have gone last year and I have been amazed they don't want grant aid. They say, well, our folks make to much money for grant aid, but we want the loan aid. My gosh now that we can get it, fine, we are happy. That was a tremendous act of genius on the part of Congress in establishing MISAA. It was a primary Federal effort.

Mr. PETRI. You also said there were over 550 participants in Wisconsin.

Mr. JUNG. Two unhappy ones.

Mr. PETRI. Do you have any idea as to why those who do not participate don't?

Mr. JUNG. I think there are very few that are not participating lenders. It is harder for some credit unions to participate just because of their own internal financing structure and regulation environment, but by far and away we, I think most of that, three-fourths are in and surely most of the larger ones.

Mr. **Petri.** In other States it is often very low. The Bank of America doesn't participate on the west coast, and there are others. Is that because there is something wrong with the Federal Government, or is that because Wisconsin's State programs, even if they are not perfect, are much better, or is it because the institutions are more responsive here in Wisconsin?

Mr. **Jung.** If I were a private lender program in California I wouldn't participate either up until awhile ago because one of the things the Feds have a history of doing is being late in payment, while in a State like Wisconsin we don't make our private lenders wait. When the loan is defaulted we pay it off and then we wait. Now, we are used to waiting. We are bureaucrats. We are perfectly willing to look at the mail every day and every day and the months go by and the reasons change and we hope that they will come across and put their checks in the mail to us. There has been improvement since MISAA.

In States that rely wholly on the Federal program, the record of mismanagement, not by intent, just on the part of the Federal Government, the lack of full State-Federal partnership in this business results in, I think, a really chaotic and unacceptable situation to a private lender. That is where the State can do the job. It can serve as the interface between the private lender and the Federal Government. After all, if the private sector really understood us we would probably be in more trouble than we are now.

Mr. **Simon.** We thank you very much for your presentations and your participation.

Our final panel is a student panel made up of Tim Fleming, president, United Council of University of Wisconsin Student Governments, Madison; Steve Soenksen of the Oshkosh Student Association.

Mr. Fleming.

STATEMENT OF TIM FLEMING, PRESIDENT, UNITED COUNCIL OF UNIVERSITY OF WISCONSIN STUDENT GOVERNMENTS, MADISON, WIS.

Mr. **Fleming.** My name is Tim Fleming and I am president of the United Council of University of Wisconsin Student Governments, a federation of Wisconsin's State university student governments.

In my discussion concerning the Federal student loan program, I would like to refer to financial aid philosophy, State agency against national loan bank, and defaults.

Before I discuss these topics, I would like to emphasize the need that student have for low-cost education, the need society has for affordable education and the desire toward progress that requires accessible education. By accessible I mean the access to capital which enables a student to learn. The problems confronting our State and Nation will not be resolved unless society is being educated in directions that will relinquish an answer. The reactionary mood on spending must be answered, but not by sacrificing Federal dollars toward education and research. This country cannot afford to be ignorant.

Financial aid philosophy. As of today, the Federal Government has been quite ignorant toward the problems associated with planning out one's future during the economically unbalanced times of the late 1970's. This fall's freshman class, whose understanding of the world around them may have started in 1975, has been subjected to an acceptance of debt. I worry about that. It is hard not to be programed to believe that "debt is not a burden to society." I think many of us know and understand that and I don't feel it is needed to cite a major example of deficit spending. What I am getting to is that the financial burden of loans is becoming more weighty on the lower class individuals who desire an education or desire an education.

As John Morse, former director of governmental relations for ACE has said in discussing the early loan programs in 1960:

> I expressed deep concern that we had not even the remotest idea of what reasonable debt limits might be, and that having discovered loans, we might be tempted to rely more and more on them as a substitute for, rather than a supplement to, societal and parental support. I feared that we might place the heaviest burden of debt on our poorest citizens. And I expressed concern that if we did, collective and default problems will grow, to the disillusionment of all who created the problem.

If the administration continues on its path in dealing with the grants versus loans discussion, we suggest a study of Mr. Morse's concern. What is an acceptable debt level?

If the administration must make loans an entitlement, they should also consider making grants an entitlement.

It is essential that financial aid proposals guarantee that adequate credit be made available to those who should have it and that there is increased levels of funding to promote grants and work-study programs. Let's face it, grants have not kept pace with the loans as a tool for financing a needed education.

State agency versus national loan bank. I am proud to say that Wisconsin has been living up to its reputation or motto "Forward," with its State agency, the higher education aids board. HEAB has been efficient, personable and constructive in dealing with financial aids. It is high time that the country caught up.

In reference to Sallie Mae, as former Secretary Califano said, "the Student Loan Marketing Association is not needed." In brief, this profitable, privately controlled and managed enterprise, whose chief executive officer receives an annual salary of $130,000, is kept afloat with Federal Government guarantees and subsidies. An orderly end to the Sallie Mae experiment should be initiated. However, I do not agree that a new Government-managed agency, such as HUD's Ginny Mae, should replace Sallie Mae. First of all, there is no need for a basic loan program. I will refer to this later. There is no need for a secondary market if the Federal Government meets the people's needs. This could be done by requiring participating States in the aid programs offered to have a State agency based on a Federal recommendation on factfinding of current State agencies in operation.

In referring to a basic loan program, such as the National Loan Bank, I will let you judge my argumentation for greater State control. Capital availability can be improved under a well-managed State agency because these agencies can develop closer and more trustful working relationships with lenders. They can provide much greater preclaim assistance, and more timely payment of claims for defaulted notes. Simpler, easier, with less cost to taxpayers.

DEFAULTS

Let me begin by saying that there is no need for persons to worry over the student default rate. If the recommendations in my testimony are considered and HEW continues to agressively attack the problems of students in default, the dafault-rate drop from 14 percent to 10 percent will drop even lower. This should enhance private participation and reduce administrative time waste caused by collection procedures on defaults.

Inclusion of entrance and exit counseling would also minimize the default problem. The best method to prevent a default begins the day the loan is given. A student, particularly one, as mentioned earlier, who has no prior experience with loans, must be completely and thoroughly informed of what his or her responsibilities are. He or she must be given not only written material, but counseling. The student must be given detailed information about what their total repayments would be, and what options they may have for deferment, cancellations, or special repayment options.

The student should also be given an exit interview upon leaving school, again outlining their responsibilities and their repayment amounts. The burden of collecting conld be transferred to the State agencies, but should not be passed to the IRS as some have proposed. The State agency would be better suited to do the collecting. It is closer. It can establish counseling procedures and effectively keep records. This would enable new graduates to take over repayment schedules that corrospond to their need level; that is, post-college job.

In conclusion, which relates to this entire discussion on the State agency, I would recommend added input from students. I would hope for stronger student input into the policy decisions at the State and Federal levels. Students are proving their professionalism. The desire for respected input by knowledgeable students is necessary for financial aid information to meet the changing needs of a changing student population. That change is and will be relevant in the future.

State agencies involved in any Federal financial aids programs should be required to have students on its most powerful policy board. It is not only a matter of overseeing by students for students, but, in essence, overseeing for the betterment of the program to be implemented through the hearings that your committee has most graciously sponsored.

Thank you.

Mr. SIMON. Thank you.

Mr. Soenksen.

STATEMENT OF STEVE SOENKSEN, OSHKOSH STUDENT ASSOCIATION

Mr. SOENKSEN. Thank you.

Congressman Simon, Congressman Petri, members of the panel.

My name is Steven Soenksen. I am the vice president of the Oshkosh Student Association. I welcome the opportunity to appear here before you to address the student loan program in the reauthorization of the Higher Education Act of 1965.

Many of our students recognize a need for reform in the Federal student loan program. I am especially pleased that these hearings are held at a district level to give concerned individuals a chance to express their concerns.

The existing loan programs have worked well in many cases, but we look for improvement in certain areas. Today I would like to comment on several areas. First, the administration's proposal, possible amendments, and second, briefly on the needs of nontraditional students.

The administration's proposals could solve many of the problems in the loan program. However, in the proposal, academic disciplines are treated differently. I refer to the exceptions under "eligible borrowers." Graduate students in the health professions are singled out. At the graduate level, these students would not be able to get a basic loan. The student nursing loan, also established by the Federal Government, has limits that should be adjusted to keep pace with the basic loan levels of $3,750 for undergraduates and cumulative limits of $12,500. Also singled out in this area are graduate business and law students. Why should these students be prevented from obtaining a basic loan when these are two of the more important disciplines in our Nation? Many students take a liberal arts undergraduate degree with a specific goal in mind of attending one of these graduate schools.

A country that was built on a market economy and the judicial system is not granting students the opportunity to finance their education. These disciplines are of extreme importance and should be treated the same as other disciplines and not be the exception.

Also an area of concern is under "loan amounts." In determining the loan amount, several factors are considered. I am concerned about the self-help factor of $700. While this is a realistic figure, I am wondering if all students will be able to make $700 for this requirement. I would like for you to think about what this means. Students through a summer job, at which time if they are able to find employment are traditionally paid minimum wage, or through college workstudy must accumulate $700. I would estimate that under 800 students of ours are able to get work-study jobs on this campus. This requirement should be left to the individual institutions' discretion to implement, if possible. The main reason that more self-help and more work-study is not available is because of moneys allocated to develop work-study programs. It should not be in statute. The current expectation of student self-help is $300, which is far more realistic than $700.

The interest rate for the basic loan program has increased from 3 percent to 7 percent under the basic loan proposal. No "in-school interest" subsidy is available to graduate students, which is very necessary for all students. The program was originally set up to be an entitlement program that gives students an opportunity for the education needed to develop their skills to the fullest. What has brought about a reversal so that students are practically forced to take out loans at high interest rates and graduate students get no interest subsidy? The Middle Income Student Assistance Act, MISAA, of 1978 was heralded by the administration and Congress as a great achievement. It provided for interest subsidies. Now this year the administration is proposing a turnaround and is removing this subsidy in the loan program.

They are also shortening the grace period from 9 months to 4 months. After graduation, students from across the Nation are competing for a limited number of jobs. In most cases it takes more than 4 months to find suitable employment that a student was educated for. Suddenly these loans are all coming in at once before a student has a chance to relocate, if necessary, and begin as a member of society. This alone will cause higher default rates.

Also, a student may wish to take time off, normally a semester, to work or for family reasons, or just to reestablish their goals in education. Without a 9-month period, students may feel unnecessary pressure and take a job which they are not satisfied with because of the large amount of debt they have accumulated.

Focusing now on the supplemental loan program, the interest rates are to increase from the current GSL rate of 7 percent, to the interest rate for Treasury bills, plus 1 percent. Currently, Treasury bills are at 9¼ percent and therefore the interest rate will be at 10¼ percent. There are no proposed deferments for interest and a student must pay this interest while in school.

There seems to be a great amount of attention being given to parents in this section. Objectively, parents should be able to help a student with the cost of college, but what about the students this is really designed for. Students from low-income families, or perhaps a student who has divorced parents who really need help. In this day and age, divorce and marital problems are frightfully common. A student finds his parents are unable or unwilling to offer support. These are the students with the deepest need for supplemental support. So the proposal is probably not going to help the people it is designed for, the students who need the help the most.

I believe that the parent loan provisions should be reevaluated in this area.

Low-income families will be able to borrow money for their students' needs in school. It will create another possibility of default.

Also in the supplemental loan program, the administration has not included the cost of administration of these programs and for the costs of the collection agencies. This will raise the total cost of the program as estimated 3 to 5 percent.

I would like to mention briefly some of the areas in the administration's proposal that are a concern to me and the students I represent. In summary, I would hope that:

(1) Under basic loans graduate students would be granted forgiveness for interest rates while in school, and the grace period between graduation or severance from the university and the repayment schedule be kept at 9 months rather than the administration's proposed 4 months.

(2) The expected amount of student self-help remains at $300 and this level would be left at the discretion of the individual institution.

(3) That every consideration be given so that loans don't make up a majority of student financial aids. That the ideal would be for loans to make up 33 percent of the student's aid package.

(4) That banks should be prohibited from using security or endorsement to secure loans. This has been brought about by discrimination against out-of-State nonresident students in the past, and some resident students.

(5) This would be a possible amendment to title 4, section 4.27, where students would be forgiven a percentage of student loan indebtedness for full-time community service work performed at a moderate or less-than-average amount of pay. This was touched on briefly by other panels. The Commissioner would publish a list of community service work and also the rate of pay. Students should then submit verification of such a position. This is in accordance with the findings of the Committee for National Use and Needs of the Nation.

The amount of loans students are burdened with should be kept at a minimum. We are dealing with a program of matching funds with the assumption that grants will make up the other one-half of the cost of education. Loans should be limited to a reasonable statutory level around 35 percent of need. Due to declining enrollments or inflation, costs for education will be rising rapidly in the next few years. While the loan program has more funds available, the loans must be repaid and we are concerned about the burden a student will have upon graduation. Also, what will happen to a student when he or she marries and his or her mate also has a sizable debt from student loans. We are also concerned about the student who cannot complete the college program and has a large amount of debts and no college degree with which to secure good employment. These are very real examples of problems that may arise.

Students should not be burdened with excessive loans.

I would like to take a minute and explain briefly a position for the nontraditional student. There has been a trend in the recent past toward nontraditional students. Currently, less than 40 percent of undergraduate students receive a degree in the normal 4-year period. Also, students are entering college after a time lapse between high school and college, and are considered nontraditional students. These students have important needs that should not be taken lightly. If it were possible, something should be built into the program so that these students would receive aid for tuition, books, and supplies.

The rationale is that some nontraditional students are working and attending school part time. In some cases, they are continuing students or people who in later years have a desire to return to school for added education.

Once again, I would like to say that I am very grateful for the opportunity to give my opinion on these very important issues.

I would be happy to further assist the committee in answering questions.

Thank you.

Mr. SIMON. Thank you, Mr. Soenksen.

On your last point, can you be a little more specific? You are suggesting this aid to the nontraditional student and it is an area we frankly have not moved on as aggressively as I think we should, but I am a little—when you talk about aid for tuition, books and supplies, I don't know whether we can say you are going to school part-time or you are over 30 we can give it to you, but if you are under 30 we can't. Have you thought it through more precisely as to how we provide such assistance?

Mr. SOENKSEN. I have thought about this to some extent. I, myself, have taken some time off between high school and college and I am considered a nontraditional student. I was more gearing this toward the part-time student, maybe somebody who was trying to improve their education or maybe even complete a degree from a previous education experience. I haven't thought it out well enough to be able to give you recommendations or guidelines for setting up the program. I think it is something, as you say, that should be more considered and a greater look taken at it in terms of aid to these people. It is hard to put down rigid requirements because there are so many different problems.

Mr. SIMON. I would be interested if you, upon reflection, would have any ideas. I would appreciate hearing from you. I think the whole subcommittee would. It is an area where we have not been as effective as we might be.

Mr. Fleming, you indicated that we ought to be looking more at grants than we are.

Mr. FLEMING. Well, what I specifically said is that I think there has been too much emphasis placed on loans. We have not talked about what is a standard amount of debt to take on. Of course, there are so many variables. The type of job after college does come into play too. I think too often that we are slipping away and we are basing our educational system more on the loans. I think that there is still a need for a lot of students in the lower class who should have grants made available to them. They are the ones who are getting the heaviest loan burden compared to anybody. The loans should be for the middle class and I think that we have to start looking at increasing the grant amounts compared to the population, the type of people we have going to school, the number of lower-class individuals going to school is climbing also, yet the grants are not climbing as much as they are.

Mr. SIMON. Are you thinking of the basic opportunity grant or some different form of grant?

Mr. FLEMING. Well, BEOG, my concern is basically the philosophy of where financial aids seem to be going. The grants are limited. I think they should be. They are limited to, I think, earlier standards of what the population of lower-class students are in college. That is growing basically because there are more colleges that are recruiting, they need the students, the student population is dropping, but the amount of lower-class students going to school is on the rise.

Mr. SIMON. Mr. Petri.

Mr. PETRI. I first of all wanted to ask whether each of you had any comments or reactions to any of the preceding testimony this morning that you would like to offer?

Mr. FLEMING. Yes; I have a little bit. I was a little confused with loans in particular because I am ironing out my own administration just for the summer and I am very vague on some issues, I realize, and if there are certain things that you would like, I will be able to write to you.

On the lenders that were talking up here, they do worry me a little bit. I think that too often students are either the culprit or they are the victim. I am by chance biased to say they are the victim. In Wisconsin the students participate at a very high level compared to other States. Some people like it, some people don't like it. The biggest problem that I see is that there isn't enough communication and there isn't enough pull of the students into the financial aid programs. HEAB has done a good job, but I think that the counsel doesn't have as much policy say as it should. I think that I would like to see a little more student input on the politically appointed board of the Governor. That too often happens. It is one of the agencies appointed by the Governor and it is usually people who are just going to be starting to learn about financial aids when they are starting to vote on it, whereas there are a lot of students that want to have input, but are caught in the politics and bureaucracies of getting their points across.

Mr. Soenksen. I agree with Tim on pretty much all of those issues. One of the things that I recognized this morning is that honestly I really don't agree with most of the administration proposals. I think what he is proposing would cause some very serious problems, probably even more serious problems than Sallie Mae has. I would hope that it would come under very close scrutiny and has a great deal of revision before it is actually put into effect.

Mr. Petri. One or two other questions. I think Tim said that the participation in the guaranteed loan program in Wisconsin was very high with institutions and students. Do you know if students have had difficulty with lenders in this State?

Mr. Fleming. As far as citing cases, no. I really can't comment on that question fairly.

Mr. Petri. Another area concerned the problem of people from economically poor families assuming large burdens of debt. We are having a problem, I think, in determining which way to focus, whether to focus back on the family and its income or whether to focus ahead on the student and his income through life. The two are really quite different. Someone can come from a very economically poor family and have a very generous income through their life and vice versa. Yet the student has the burden of repaying the loan out of his income after he graduates. I wonder if you would comment on that whole business and perhaps relating loan repayments to income after graduation rather than to, as we do a little bit now, tending to relate the whole thing to family income before enrollment.

Mr. Fleming. When considering the need for students, I would't want to place it completely at one end or the other. I think we have to think about both ends of the spectrum, before college and afterwards.

You mentioned before, going back to the family, whether we base it on the family or the student completely, there is also a situation I just ran up against where a student who was from a very wealthy family is not getting support from the parents to go. They cannot get aid. There are problems like that.

Mr. Petri. On the question of tying repayment to income of an individual after graduation, guess the classic example is someone who goes to school, graduates, and become a minister, which is a relatively low-paying job in comparision to that of a surgeon, who makes about as much as the head of Sallie Mae.

Mr. Fleming. Yes, that is true. I think that the suggestions of a subsidy level dealing with the interest amount paid during school and the aspects of community work and loan forgiveness, your comments about the National Guard and the military is a good idea, but, again, I think I can sympathize with Chancellor Penson by stating that it is kind of waving a lollipop. You will have people who are probably economically forced to go into a volunteer program just for the reason of getting rid of their debt.

Mr. **Petri.** Just in that connection, do you think that right now the high debt burden that hangs over a lot of people when they are going through school, and they see it coming along and then must decide maybe to go to graduate school or not, do you think that that in itself influences career selection and decision, or do you think it is just the normal economic pressures that exist anyway?

Mr. **Fleming.** I think it depends upon the person, first of all. I think that a majority, and it is sad to say this, a majority of students who get loans get loans at the beginning of the year and forget that they have loans during school and when they get out of school it is, gee, I forgot, and I am with this lender, this agency, and I am involved with this loan. I think that we have to look at when you have a number of loans to maybe combining them through an exit interview a repayment schedule and looking at the possibility of maybe making one payment and distributing the money to the institutions that the person owes to.

I can't really say. Things are very vague to me yet with the loan problem. It is so all-encompassing at times that I am sure you people know more than I do about the problems of deciding which way is the best way to go.

Mr. **Simon.** We are here for your wisdom.

We thank you very much for appearing and we thank all of you for being here.

Let me express my appreciation also to Tom Petri and his staff for helping to get all this arranged. We appreciate that.

If anyone else has a quick comment we would appreciate hearing from you.

[No response.]

Mr. **Simon.** If not, our hearing stands adjourned at this time. Thank you all very much.

[Whereupon, at 12:35 p.m., the subcommittee hearing was closed.]

REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

Part 9—

FRIDAY, AUGUST 10, 1979

House of Representatives,
Subcommittee on Postsecondary Education,
Committee on Education and Labor,
Burlington, Vt.

The committee met at 9:30 a.m., in Delehanty Hall Auditorium, Trinity College, Burlington, Vt., Hon. William D. Ford (chairman of the subcommittee) presiding.

Members present: Representatives Ford, Tauke, and Jeffords.

Staff present: Thomas Wolanin, staff director; Patricia F. Rissler, deputy staff director; William C. Clohan, minority assistant education counsel; and Jennifer W. Vance, minority legislative associate.

Mr. Ford. The Subcommittee on Postsecondary Education will come to order this morning for the purpose of continuing hearings on the reauthorization of the Higher Education Act and related measures.

I am particularly pleased to convene this hearing here in Burlington and to be, for the first time, on the campus of Trinity College. We are grateful to our colleague, Congressman Jim Jeffords, for inviting us to Vermont and arranging for the panels of witnesses and the testimony to be presented this morning.

The committee, I might note, has now been involved in approximately 100 hours of hearings and have heard from approximately 235 witnesses on reauthorization for this year. We expect that we will have additional testimony, not only from people here today but from others as well, submitted to the committee during the month of August, and for that reason, we will hold the hearing record open.

This is unusual, but we think it is fair, considering the fact that the administration's proposals, particularly with respect to the loan programs, are so recently received by us that we want to make sure the organizations who feel the need to do so have an opportunity to respond on the record to the administration's specific proposal.

Our focus this morning will be the community service and continuing education program authorized by title I of the Higher Education Act as well as issues related to title IV, student assistance.

Before I go on, I would like to introduce the people here at the table with me. I am sure that everyone in the State is familiar with Congressman Jim Jeffords, showing the commitment we are very proud of on our committee. Congressman Tauke is from a place called Iowa, which is even west from where I live. Even we think that is way out in the country. But next time you pick up the newspaper and read about all of the fun and frolic that congressmen are having on their summer vacation, it might be remembered that you had a congressman in all the way from Iowa to assist us in making this record.

To his right is minority staff for the committee, Jennie Vance, and to my left is the staff director of the committee, Dr. Tom Wolanin.

Now I would recognize the gentleman from Vermont, Mr. Jeffords.

Mr. **JEFFORDS**. Thank you, Mr. Chairman.

I certainly want to welcome you to the State of Vermont. It is a privilege to have you here. Because you are the leader, really, in the area of higher education, I think it is a wonderful opportunity for the people in the State of Vermont to have a chance to bring to you some of their problems in this very difficult and important area.

As was pointed out last night, we have some 23 institutions of higher learning in this State of less than 500,000 people, so we have dedicated a great deal of our efforts in the area of higher education. I think it will prove very fruitful for our young people in giving them an opportunity to go out not only in this State but around the country and around the world and pursue a better life.

We still do have problems, like every area of the country does, especially with the financing of public education. We have, especially in higher education areas, a tremendous burden on our people, especially middle income people. I am pleased and we will be focusing our attention on some of the problems in that area.

I personally am quite concerned about the ability of middle-income people to send their young people off to college. We have not really recognized the changes that have gone on in our society by reducing the age of majority to 18 and the problems that causes with families who are no longer legally responsible.

We seem to really put the burden the wrong way, penalizing, in a sense, those people who have been frugal and saved and built up some equity in their homes and businesses versus those families who have not done so. We seem to give the aid in the wrong direction in this area.

I think it is important we recognize that it works that way.

Also, coming from a small State, we have problems in being able to cope with the tremendous problems the bureaucracy places on a small State in planning. I am hopeful that the committee will be aware of the burdens a small State must face, especially in view of my own bill in this area and, I would hope, some of the recent testimony in that area.

Most of all, I want to thank you, Mr. Ford, for coming, and Mr. Tauke from the great State of Iowa. I know you are really roaming around. Mr. Tauke is one of our best freshmen by far, I think. He has been very active on the House floor, very active in committees. He is on two of my subcommittees and he is on his way to Los Angeles and other places to take part in the proceedings this year, and this is one of the outstanding young men who has come along in Congress. I am pleased to have you here.

Would you like to say a couple of words?

Mr. **Tauke**. Thank you very much, Mr. Chairman and Jim, for the fine welcome that I have received in Vermont. I have been here only a very short time, and I am sad that I will have to leave so soon. This is my first visit to the State. I find that it looks a great deal like northeast Iowa, the area of Iowa I represent, so I have a feeling of being at home, although I will have to say you keep it a little cooler here than we have had it in Iowa recently. [Laughter.]

I am also discovering that many of the concerns and problems that face higher education in Iowa are the same that face higher education in Vermont. So apparently our structure statewide and some of the difficulties we look to in the years ahead and some of the challenges and hopes for successes will be quite similar.

I want to say that I am especially happy to be here at the invitation of Congressman Jeffords. As he indicated, I am a relatively new Member of Congress. I guess there are virtually none newer than myself. I have had the opportunity to observe many Members of Congress as they work in the system as someone who came in taking something of an objective look, and there are very few, if any, in Congress who approach issues from the fresh and creative viewpoint that Congressman Jeffords does.

He is one of those who has been a leader on so many fronts and is always thinking ahead. Most Members of Congress tend to react to the problems of the day. He tends to anticipate the problems of next year or the next decade, and I think that is a remarkable achievement on his part but also a remarkable commentary on the good judgment of the people of Vermont. I am delighted to be here.

I would also be remiss if I did not say that it has been a great pleasure working with the chairman of this committee. He is a very dedicated and able leader of the forces for higher education in the Nation and in Congress, and it has been a tremendous education for me to have the opportunity to work with him on this committee. I look forward to today's hearing.

Mr. **Ford**. Thank you, gentlemen.

Title I, part A authorizes Federal support for continuing education activities at colleges and universities in addition to activities which assist local communities to solve their problem. Funds are allocated to States based on State allocation formula and distributed to postsecondary institutions in accordance with a State plan. Title I, part A was created as a part of the original Higher Education Act of 1965.

Part B of title I, the lifelong learning part, was enacted by the Education Amendments of 1976. As a matter of fact, it was an amendment initiated on the Senate side by then Senator, now Vice President Mondale. Part B authorizes the Assistant Secretary of Education to undertake planning, coordination and evaluation activities in the broad field of lifelong learning and, it should be noted, legislatively acknowledges for the first time the facts of life with respect to the nontraditional student but which is very rapidly becoming the traditional student of the future.

In the current fiscal year, $16 million has been appropriated for part A of title I. Unfortunately, we have never succeeded in getting an appropriation for part B of title I. The fiscal year 1980 Labor-HEW Appropriations Conference Report cuts part A of title I to $10 million.

It should be noted that that is not all that bad when you consider that the administration recommend zero funding for title I in their budget for this year.

The difficulty we have experienced in getting funding for title I is not, in my view, a negative judgment on the merits of Federal support for lifelong learning, community service and continuing education. It is plain for all to see, for all who will observe it, that the dramatic changes in the clientele of postsecondary education justify and, indeed, demand a Federal role in assisting postsecondary education to effectively adjust to and serve the new student of the last quarter of the 20th century.

This committee wrote in its report accompanying the Education Amendments of 1976, which was the last major reauthorization in the Higher Education Act, and I quote from that report: The typical student is no longer young, no longer full-time, no longer just out of high school, no longer a stranger to the world of work, no longer necessarily seeking either a set of skills or an educational credential. And, to be certain, he is no longer overwhelmingly "he."

The problem of attracting adequate funding is not the goals but the mechanism we have created to achieve those goals. Title I as it currently exists does not seem to effectively articulate these goals in a way that will attract support in the budget and appropriations process.

Therefore, we are particularly pleased to see that our colleague from Connecticut, Mr. Ratchford, has introduced H.R. 4531, the Lifelong Learning Act of 1979, and Mr. Jeffords has introduced H.R. 5051, which deals with State planning. I also understand that Mr. Tauke is planning to introduce legislation to revise title I. The subcommittee has previously held hearings on title I in Hartford and Waterbury, Conn., as well as Washington, D.C.

With respect to title IV issues, it is my understanding that the witnesses are particularly prepared this morning to comment on the proposed family contribution schedule for the 1980-81 school year.

With that, we would like to call for our first panel. Without objection, the prepared statement presented to the committee under the rules for each of the witnesses will be inserted in full at this point in the record, and the witnesses will be invited to comment on the statement, summarize it, add to it, highlight it, however he or she feels most comfortable in an attempt to draw the attention of this record and the committee to the points they would most like to make.

First, Mr. Lloyd Kelley, director of adult education services, Vermont State Department of Education, Montpelier, Vt.

I think it would be easier if we assembled the panel, and then we will proceed in this order. Mr. Larrimore Crockett, executive director, Higher Education Council, Kipling Road, Brattleboro. Dr. John Eurich, dean of GEPFE, Goddard College, Plainfield, Vt. Ms. Myrna Miller, dean of academic affairs, Community College of Vermont.

Mr. Kenneth Fishell, University of Vermont. Mr. Frank Smallwood, chairman of the Governor's higher education commission. Thea Froling, University of Vermont, title I administrator for the University of Vermont.

[The prepared statement of Lloyd A. Kelley follows:]

Prepared Statement of Lloyd A. Kelley, Jr., Director, Adult Education Services, Department of Education, Montpelier, Vt.

I would like to express my appreciation for being invited to offer testimony before this subcommittee. As Director of Adult Education Services for the Vermont State Department of Education I am vitally concerned for all adult education in the state and have a deep concern and appreciation for the vital role played by institutions of higher education in meeting adult education needs. I have been in this position for only eleven months but come to the position from twenty-six years in public elementary and secondary education, thirteen of which were as a superintendent of schools. For about ten years I have served as an adjunct professor at the University of Vermont and Castleton State College where I teach graduate courses in school administration.

Being new in this role I have spent much of the last eleven months meeting with people from various segments of the adult education community including those institutions which have been actively involved with Title I–A of the Higher Education Act. I have looked at the past history of projects since 1973 and talked with the Title I State Director. I have read the last two state plants and feel that I have a sense of the direction as it has been developed by the State Advisory Committee for Title I–A over the last several years.

It seems to me that Title I–A is grossly underfunded. It is most unfortunate that Title I–B is unfunded. The goals and objectives established by the State Advisory Committee are laudatory and certainly address themselves to pressing state needs. The Committee has done a fine job of assessing those needs. It has funded three research studies over the past several years to provide the hard data necessary for effective planning and programming. However, the one hundred sixteen thousand ($116,000) dollars which the state receives as a grant to enlist the efforts of institutions spread over three major program areas has resulted in average grants of thirteen to fifteen thousand ($13,000–$15,000) dollars. Even when coupled with the required one third match the level of funding is hardly sufficient to achieve any very ambitious goals and is hardly sufficient to encourage institutions to put forth the necessary effort to apply.

The answer to this problem is not to reserve a greater proportion of the appropriation at a federal level. The purposes of this particular title call for bringing together institutions of higher education with local communities in meeting certain types of needs. The closer one can keep the decisioning to the local level the more apt the resulting programs will truly address themselves to those local needs.

If the level of funding increases and comes to the state relatively unencumbered by regulation, Vermont can develop plans that meet its unique problems. These problems arise from the interaction of several factors: First, Vermont has more people living in small towns than any state in the nation. This means that the population is scattered not in a few major cities around the state, but in many small villages. Second, a third of its adult population never finished high school, and many of these people are losing the struggle against poverty. Third, its minority population is different from that of other states. Finally, Vermont is rich in higher education institutions—more per capita than any state in the nation. The challenge is how do we modify higher education activity to bring it to bear on the problems of this rural state?

In order to bring changed higher education services to bear on the problems, there must be a tolerance for some projects of high risk. Policy committees and program administrators must be free to make decisions about taking risks. If we wish to enlist the resources of institutions of higher education in fighting the war against a variety of society's problems we must see that they have sufficient resources to at least get them to where the action is.

I am sure that you read many of the same publications that I do and are exposed to the same data. Demographic information clearly indicates that higher education institutions are headed for troubled times. The market for their traditional educational programs is going to contract very markedly. Many writers are speculating on the number and types of institutions which will survive. One recent article in the Chronicle of Higher Education speculated that as many as one third of the institutions of higher education may close within the next few years. One of Vermont's four year colleges closed this past year and several were reported to be in serious financial difficulty. Some local public school districts are beginning to realize that they made a mistake in disposing of unneeded schools instead of converting them to other uses or putting them in mothballs as insurance against future times of need. It appears that the lower birth rates of the last decade resulted in part from young couples deferring the decision to have children as opposed to deciding not to have them. While birth rates are near historical lows they are applied against an ever larger population of women of child bearing age. We will need every institution of higher education that we have and probably more. We cannot let them flounder. The worthy purposes outlined in Title I Parts A and B are most appropriate for transitional activities on the part of institutions of higher education. Those institutions willing to undertake these new initiatives should be heavily supported from the federal level. This legislation is an appropriate vehicle.

The State Advisory Council, in a period of extremely limited resources is wisely promoting the establishment of consortia. Consortia provide for the coordination, collaboration and linkages that can result in efficient and effective programming. Such a consortium has existed in this particular county for some time. However, that consortium involves only representatives of institutions of higher education. We need throughout the state regional consortia with representation form each provider of adult education services in the area. Up to now collaborative activities under Title I Part A have largely been intitiated by the institutions of higher education responding to needs perceived by the institutions of higher education. The establishment of regional consortia should open up areas of communication which heretofore have not existed or have existed only to a limited extent.

Activities of a collaborative nature are anticipated as a function of "resource materials sharing programs". The legislation should go beyond this and provide for collaboration, cooperation and linkages in planning and programming. Such a move would be consistent with the recently reauthorized Comprehensive Employment and Training Act.

One of the frustrating features of adult postsecondary education is the proliferation of categorical funding. Incerasingly the prviders of adult education services have recognized the necessity of packaging through cooperative effort and pooling of resources. This is certainly a move in the right direction but is no combination that fully responds to the need.

Postsecondary education at a local community level is largely thought of as being self supporting and to be paid for by the recipient of the services through tuition. In Vermont's three largest programs, those found in Burlington, Rutland and Essex Junction this is for the most part true. It is readily apparent that a service area of appropirate size is required. Most of Vermont's rural areas cannot provide the necessary population density to support self sufficient local programs of postsecondary adult education. Some combination of financial support to local consortia, outreach from larger established centers and transportation from rural areas to urban or suburban centers needs to be provided. Another alternative which has not as yet been explored to any significant degree is the offering of instruction at the work site for those who are employed. Several of our studies indicate that an individual's postsecondary educational aspiration is closely related to vocational goals. Partnerships between industry and the providers of adult postsecondary education are clearly indicated.

Aspiration for postsecondry adult education is particularly evident among young women. Child care and adequate transportation are often inhibiting factors. Child care is a major program area for secondary vocational schools. Local school systems are usually the largest providers of transportation services in the communities which they serve. It would seem feasible to provide instruction in child care and in connection therewith child care services for mothers when they are available for adult education. Perhaps through appropriate language in this bill these types of linkages between learner, local school systems, private enterprise and higher education can be established and strengthened.

One final thought. I do not find any language in the bill or in the mechanisms used here in Vermont to implement title I, part A of the bill which would involve users of the services in planning or programming. Some provision should be made for the presence of consumers on advisory councils which deal with adult's postsecondary education at local, state and federal levels. The presence of consumers should bring together theory and practice into a productive relationship.

In closing, I wish to express my appreciation for the presence of this important committee in our state. If you could spend sufficient time with our state leadership in postsecondary education you would find, as I have, a willingness to adapt, modify, reshape programs to fit the needs of the learner and the uniqueness of our rural setting. We are certainly not complacent. Much remains to be done, but we are hopeful. Thank you for your concern and interest.

STATEMENT OF LLOYD A. KELLEY, JR., DIRECTOR, ADULT EDUCATION SERVICES, VERMONT STATE DEPARTMENT OF EDUCATION, MONTPELIER, VT.

Mr. KELLEY. Congressmen Ford, Tauke, and Jeffords, I want to express my appreciation for being invited to offer testimony before this committee.

As direcor of adult education services for the State department of education, I am vitally concerned for all adult education in the State and have a deep concern and appreciation for the vital role played by institutions of higher education in meeting adult education needs.

I have been in this position for only 11 months and come at it in perhaps a little different way. For 26 years, I have been a part of public elementary and secondary education, and for the last 13 years I have been a superintendent of schools.

I notice that this particular act bears a date of 1965 and I guess was reauthorized several times. Until about 3 months ago, I was totally unaware of title I, part A, even though it does indeed have a very definite community thrust to it. I want to address myself to that a little later on in my comments.

I was very interested, Mr. Chairman, in your introductory comments and the interest of the two Congressmen on your subcommittee as to the legislation which they are promoting, and in particular Mr. Jeffords. You indicate he is promoting legislation to enable States to do some planning.

We recognize this need and, indeed, could apply under the Community Education Act for money for statewide planning. As perhaps you are aware, there seems to be quite a feeling between adult educators and community educators. We were informed that our application for planning money was addressing itself to adult education as opposed to community education and was therefore rejected.

There is a very serious need for statewide planning in this whole area of adult education. Being new in this role, I have indeed traveled throughout this State and met with representatives of nearly every institution of higher education within the State, including many of those who have in the past had projects which were funded under title I, part A, and I have also reviewed the activities which have been funded since 1973 in the State. I also have looked at the last two State plans for taking advantage of title I-A.

One of the immediate reactions that I have gotten is that title I, part A is grossly underfunded. The State of Vermont is one of those States which apparently receives a minimum grant, and its grant of approximately $116,000 has remained stable for about 3 years. You mentioned the figures, the levels of funding proposed for title I, part A.

It is interesting that we also, through my division, are beginning to work with the Mott Foundation, and the Mott Foundation's funding level will level out at somewhere around $75 million, which is in excess of the money available at the Federal level for community education and in excess of the level if you even add on the funding for title I, part A.

Their trust and focus is to work with local school districts in developing programs of community education and programs designed to meet identifiable community needs. As I read the purposes of this particular act, which would involve higher education, many of the purposes are exactly the same. And certainly we should begin to look at linkages between various providers of community educational services.

I am sure we are all aware of the demographic data and the shift, if you will, in our population, and the relative rather rapid decline colleges are going to experience in the bulk of their student body, those in the ages of roughly 18 to 24 or 25.

On the other hand, our adult population is going to increase rather rapidly, and it certainly has continuing education needs, very critical needs. But we are going to need to turn to new and different delivery systems. I think it is wonderful that we have through this particular piece of legislation the opportunity to bring the resources and capabilities of our institutions of higher education to bear on facing some of the problems which our adults have and some of the issues that they are caught up in.

Certainly, our institutions of higher education have a great deal to offer. But if we are gonig to involve them to any significant degree, we must at least have enough funds to get them where the battle is being fought. And I don't really think that current levels of funding for this legislation do that.

In the State of Vermont, the goals and the objectives set out by the State advisory committee are very admirable. I was very impressed as I read the last two State plans. But in terms of thinking that the levels of funding available to the State could make any great impact on achieving these laudatory goals, it is very questionable.

They have done well with the funds they have had. Their average size grant has been $13,000 to $15,000. If you add on the one-third local match that is required, your projects are ending up in the neighborhood of $20,000 or less. What I find in talking with various groups dealing with Federal funding and Federal programs, by the time that they apply the resources which they must to apply for these moneys and come under the level of regulation which they have to in order to receive the moneys, very frankly, it is not worth applying for.

They are far better to use their own resources and approach some of these goals on their own. If the Federal Government indeed wants to become a real partner with institutions of higher education and local communities in trying to reach out to some of the goals and objectives of this particular piece of legislation, I think that the Federal Government must give serious consideration to dramatically increasing the level of funding.

I suspect in part recognizing that you do need a certain body of resources in order to make an impact on a particular goal or objective, I understand that there is some discussion about retaining a greater portion of the appropriation at the Federal level. I think that would be an extremely sad mistake. That is not the answer.

Vermont's plan does reflect the State of Vermont. The closer we can keep the decisioning process to the level at which you deliver the services, the more apt the programs will address themselves to the identified local needs. I just cannot in any way support the notion that one should keep more of the money at the Federal level at the expense of meeting the needs in the States.

Due to the nature of the undertakings envisioned by this act, colleges and institutions of higher education generally are going to have to significantly change their systems of delivering services. They are going to be moving into new areas, if you will. That is, new to them. They are, indeed, bringing with them a lot of expertise, a lot of experience that they have acquired over the years in working with adults, a lot of knowledge about the various disciplines that have to be brought to bear on the local issues.

On the other hand, they are in many respects a high-risk operation with the colleges. And when you enter into areas where you have to take risks, people have to be free at the appropriate level to decide to take those risks. I guess what I am saying is that if one becomes overly encumbered with regulation, one then does not have the freedom to take the risks necessary in order to modify, adapt programs, or develop new strategies for the delivery of services.

Up to this point in time, it is my understanding that title I, part A, has been relatively free of overregulation, and I would certainly hope that it continues to be so so that indeed institutions of higher education can take those risks that they need to.

Vermont in many respects is unique. Some of those factors that contribute to Vermont's uniqueness are as follows:

First, Vermont has more people living in small towns than any State in the Nation. This means that population is scattered not in a few major cities around the State but in many small villages.

Second, one-third of its adult population has never finished high school, and many of these people are losing in the struggle against poverty.

Third, its minority populations are quite different than many other States.

And finally, Vermont is very rich in higher education institutions, more per capita than any State in the Nation, and we are proud of that, the diversity, quality and types of institutions of higher education that we have in the State.

The challenge is: How do we modify higher education activity to bring to bear on the problems of a rural State such as ours? I would like to make this point before moving on. We are well aware of the demographic problem facing institutions of higher education. There is some conjecture that as many as one-third of our institutions of higher education nationally will, indeed no longer be with us in a few years. They are facing real difficult times.

Here in the State of Vermont we were saddened to witness the design of Windham College, one of our 4-year institutions. There has been publicity in the paper lately where several of our other educational institutions are facing financial difficulties. I would hope we have learned something in the shifts of population as they have affected our public elementary and secondary schools.

Many of our school districts in this country sold off their schools, and now, as the population is shifting as again we have a wave of children beginning to enter our primary grades, they are wishing that they had the institutions that the did away with.

The school systems which indeed put them in mothballs or converted them to other uses, productive uses, are now proving to be the wiser ones. We are, indeed, going to need all of the institutions of higher education we now have, and probably more, in the not too far distant future.

For the next decade or two, indeed they are going to be faced with declining undergraduate enrollments, but what a wonderful opportunity, if we can, to tap their resources and indeed apply them to other purposes. And one of the purposes which one can obviously direct their attention to is that of continuing education, community education, and more recently, as I understand it, from the point of view of title I–A involve them in the sharing of resources.

The sharing of resources is particularly important in our State. It is going to be increasingly important as the institutions of higher education move into community education, addressing community needs through continuing education, in that our resources are indeed limited.

We are not going to be constructing new facilities at the rate we have in the past. There are a lot of facilities out there. The public elementary and secondary school facilities are there in virtually every community in our Nation. There are many other providers of adult education services who have facilities and resources to offer, and somehow we have got to focus these resources of all of the agencies to bear in these particular areas.

I think our State advisory council has recognized this and is very interested in the notion of establishing various types of consortia. Indeed, right here in this county there has been a consortia of institutions of higher education who have been trying to plan cooperately their continuing education programs.

We need to take that notion and strengthen it and broaden it. I would like to have seen that consortia composed of the representatives of all the providers of adult education services and not just those of higher education. I would like to perhaps have seen included in that consortia representation from various agencies and organizations which represent the clients, the receivers, if you will, of the activities which are being planned and developed.

As a matter of fact, the request that we had submitted for planning money here in the State of Vermont involved the notion of bringing to bear within regions in a planning effort all the providers of human services, not just educational services, because the clients for adult basic literacy or the clients for adult vocational education are often being served by social and rehabilitative services and a variety of other agencies of State government.

I do think that the ultimate goal is to try to focus all of the resources of all of the human service providers on meeting the needs of people in regions in the State, and we are very disappointed that that was not funded.

Our goal remains the same, however, to do this. So I think that perhaps through language in this bill as you reauthorize it, you can strengthen the thrust for and the notion that there needs to be regional consortia of service providers.

I think that this notion in the bill of resource material sharing programs needs to be expanded upon to think of a sharing in terms of the planning and programing process, and that is now not written into the bill. I think such a move would be consistent with your recently reauthorized Comprehensive Employment Training Act, where there has been a considerable focus on the notion of linkages, collaboration and cooperation between various service providers.

I think that we need that as we approach the needs of community education and the changing role of continuing education. A postsecondary education at a local community level is largely thought of as being self-supporting, primarily through tuition paid by the recipient of the services. In Vermont's three largest programs, those found here in Burlington and in Rutland and Essex Junction, this is for the most part true.

However, it is readily apparent that a service area of appropriate size is required. Most of Vermont's rural areas cannot provide the necessary population density to support self-sufficient local programs of postsecondary education. Some combination of financial support to local consortia, outreach from larger established centers and transportation from rural areas to urban and suburban centers need to be provided.

Another alternative which has not been explored to any significant degree is the offering of instruction at the worksite of those who are employed. Several of our studies indicate that an individual's postsecondary educational aspiration is closely related to the individual's vocational aspirations, and such a linkage would seem to be extremely logical.

Partnerships between industry and the providers of adult postsecondary education are clearly indicated. Also, our studies show that aspiration for postsecondary education is particularly evident among young women. In trying to meet their needs, child care and transportation are often inhibiting factors. However, child care is one of the major program areas for our area vocational schools, and local school districts are usually the largest providers of transportation services.

It seems like a reasonable notion that we could provide the instruction in child care for secondary students by providing child care to the young women who need it while they take their postsecondary education. It would also seem a logical notion that we could indeed use the transportation facilities of local educational agencies in terms of bringing, in this case young women, but whomever to the source of the adult postsecondary training.

Perhaps through appropriate language, again, in this reauthorization, these types of linkages between the learner, the local school system, private enterprise, and higher education can be established and strengthened.

On final thought, and really, I have alluded to it earlier. I do find any language in the bill or in the mechanisms which have been used here in Vermont to implement title I, part A of the bill which would involve the users of the services in the planning of programing. Some provision should be made for the presence of consumers on advisory councils which deal with adult postsecondary education at local, State, and Federal levels.

The presence of the consumers should bring together theory and practice into a productive relationship.

In closing, I want to express my appreciation for the presence of this important committee in our State. If you could spend sufficient time with our State leadership in postsecondary education, you would find, as I have, a willingness to adapt, modify, and reshape programs to fit the needs of the learner, and the uniqueness of our rural setting.

We are certainly not complacent. Much remains to be done. But we are hopeful and we thank you for your concern and interest.

Mr. FORD. Thank you.

Mr. Crockett.

Without objection, your statement will be incorporated in the record in full at this point. Go right ahead.

[The prepared statement of Larrimore C. Crockett follows:]

PREPARED STATEMENT OF LARRIMORE C. CROCKETT, EXECUTIVE DIRECTOR, HIGHER EDUCATION COUNCIL, BRATTLEBORO, VT.

Mr. Chairman, and members of the House Subcommittee on Postsecondary Education. I thank you for the opportunity to testify on issues pertinent to Title I. My testimony will be brief and to the point so that its basic message will not be lost in a torrent of words. Title I is important to Vermont, important to adults in Vermont and to the institutions of higher education seeking to serve adults creatively. I do not think it would be an exaggeration to say that if you took away the Title I program, you would take away the most important source of seed money, particularly for small institutions and community organizations, which makes possible new ideas, new programs, new explorations, new forms of cooperation in the area of continuing education and community service. Title I is important, and it is equally important that it be structured in a way that maximizes its usefulness in a small, rural state.

I am speaking today as the Executive Director of the Vermont Higher Education Council. I am speaking as an individual, not in an official way on behalf of the Council. The Council is made up of all the institutions of higher education in Vermont, public and private. There are currently twenty-three members. It is not a public agency. It is a private, non-profit organization, thirty-five years old, funded by the dues of its member institutions whose chief executive officers make up the Board of the Council.

It is important that you know something about these institutions in Vermont. Most of them are quite small. Ten of our members have enrollments under 500; All but one, the University of Vermont, have FTE enrollments under 2000. Almost all have budgets which are austere. There is no waste. Ingenious Vermont frugality stretches the dollar to the utmost. They are hard pressed by inflation, especially by the rising cost of energy in this cold climate. Which is to say that the proportion of the college budget which goes to absolute essentials keeps rising, leaving less to support new programs, new forms of service. Despite these hardships, this is an amazingly diverse group of institutions, with a remarkably rich resource of persons, experience and expertise, considering the size and rural nature of the state. Spread throughout the state, these institutions are of great significance in their local communities and regions, and while small individually, collectively they constitute one of Vermont's most important industries. They are a dominant thread in the fabric of Vermont life which we prize so highly.

These predominantly small institutions are set in a largely rural environment in which there is an old and venerable tradition of local control, epitomized in the town meeting, and facing many very large problems characteristic of a small, rural, northern state: problems concerning nutrition, health care, adequate housing, child development, recreation, delinquency, unemployment, isolation, mental depression and so forth. This state needs help. I cannot say too strongly how much we need help, basic financial assistance, which will free this great resource of expertise to work cooperatively with persons in local communities in identifying and dealing with these problems. Title I is a very important part of this financial assistance.

In the past seven years, a total of $676,570 has been awarded in Title I grants in Vermont. In the context of the federal budget, this is the merest of merest drops. Yet it has made a tremendous difference in Vermont because Vermont is small, its communities are small, its institutions of higher education are small, a few thousand dollars make a big difference, and this money has been spread around wisely and judiciously where it can do the most good. In the past seven years, these funds have supported 53 separate projects at nineteen different institutions. I happen to have very close knowledge of one of these projects in SE Vermont which provided career counseling and life planning for women. The Title I grant was a modest $8300. Working with the Brattleboro Women's Center, the sponsoring college trained women in small groups to train other women in skills relating to employment. Over a hundred women were involved for almost a year, most of whom were initially unemployed, many of them single parents living on welfare. These training sessions were so successful that most of the participants found employment. The impact continued in the following year and even the year after, long after, the grant itself had expired. This small drop of money made a large splash in the morale and effectiveness of scores of persons and their contribution to their communities. If we were to measure the economic benefit of this project alone, measured in terms of reduction of welfare payments and creation of new tax-paying citizens, it would rival the proverbial bread cast upon the waters and returning a hundredfold. This is the story of Title I throughout the state. Multiply that project by 53 in a wide variety of settings relating to a wide diversity of community needs and you have some sense of its significance.

This brief profile makes several things clear about the proposed structure of the Title I program.

1. It is imperative that the minimum allocation for states be large enough to effectively administer the program in Vermont and also leave enough funds to spread the money around to a number of institutions. Let me stress that the presence of a Title I staff person is important to this state. Such a person can be very helpful in offering workshops on grant-writing, helping institutions develop ideas, being a catalyst for cooperative activities and generally making grass-roots participation in Title I possible. Such a person is an important resource particularly to small institutions and community organizations who cannot afford specialized staff, nor can they afford to send staff to expensive grant-writing workshops. I understand there are proposals which would create a floor of $25,000 or $50,000. This is simply too low for Vermont. The present $100,000–$125,000 is scarcely enough.

2. Secondly, the success of Title I in Vermont rests also on the fact that grants are awarded to institutions by an advisory committee that knows the state and institutions and local communities well. A system in which a significant portion of Title I funds were awarded on the basis of national competition would almost certainly be a disservice to a state such as Vermont.

In summary, it is essential, I believe, that you hear three words today: SMALL, RURAL, LOCAL. Whatever else you may do to change Title I, you must make sure that at the least you do not jeopardize, and at most that you seek to maximize, the capacity of this program to serve adults in contexts in which these three words are the significant modifiers.

Thank you again for this opportunity to speak.

STATEMENT OF LARRIMORE CROCKETT, EXECUTIVE DIRECTOR, HIGHER EDUCATION COUNCIL, BRATTLEBORO, VT.

Mr. CROCKETT. Thank you. I, too, would express my appreciation for the opportunity to testify this morning on issues pertinent to title I. As an Iowa boy transplanted to Vermont from Anamosa, Iowa——

Mr. TAUKE. In my district.

Mr. CROCKETT [continuing]. I am particularly happy to have these two important States in my life represented here.

My testimony will be brief and straight to the point so the basic message can be heard. Title I is important to Vermont. It is important to adults in Vermont and to the institutions of higher education which are seeking to serve adults creatively.

I do not think it would be an exaggeration to say that if you took away the title I program, you would take away the most important source of seed money, particularly for small institutions and community organizations, which makes possible new ideas, new programs, new explorations, new forms of cooperation in the area of continuing education and community service.

Title I is important to us, and I think you need to hear that it is important that it be structured as you rewrite it in a way that maximizes its usefulness in a small rural State such as Vermont.

I am speaking today as the executive director of the Vermont Higher Education Council, and I might for the record point out that my title is executive director and not executive secretary as you have it. I should make clear that I am speaking as an individual and not in any official way on behalf of the council.

The Vermont Higher Education Council is made up of all the institutions of higher education in Vermont, public and independent. There are currently 23 members. It is not a public agency. It is a private, nonprofit organization, 35 years old, funded by the dues of its member institutions, whose chief executive officers make up the board of the council.

It is important, I think, that you know something about these institutions in Vermont. Most of them are quite small. Ten of our members have enrollments under 500. All but one of our members, the University of Vermont, have FTE enrollments of under 2,000. Almost all of these institutions have budgets which are austere, and that may be speaking euphemistically. [Laughter.]

There is no waste. Ingenious Vermont frugality stretches the dollar to its utmost. These institutions are hard-pressed by inflation, and especially by the rising cost of energy in this cold climate. I could give you chilling statistics on what our institutions will have to pay for fuel oil this year over and above what they had budgeted.

This is to say that the proportion of a college's budget which goes to absolute essentials like staying warm keeps rising, leaving less money to support new programs and new forms of service. And yet, despite these hardships, this group of institutions is an amazingly diverse and, I would have to say, hearty group of institutions with a remarkably rich resource of persons and experience and expertise, remarkable considering the size and rural nature of this State.

These institutions are spread throughout the State, and they are of great significance to their local communities and regions. While most of them are small individually, collectively they constitute one of Vermont's most important industries. They are a dominant threat in the fabric of Vermont life that we price so highly in this State.

Now, these predominantly small institutions are set in a largely rural environment in which there is an old and venerable tradition of local control, epitomized in our town meeting, and these institutions and communities are facing many very large problems which are characteristic of a small rural, Northern State, problems such as nutrition, health care, adequate housing, the preservation of the environment, child development, recreation, delinquency, unemployment, isolation, mental depression, and so forth.

The State needs help. I really cannot say it too strongly, how much we need help, and I mean basic financial assistance which will free this resource of expertise which exists in the State to work cooperatively with persons in local communities in identifying and dealing with these problems which are so characteristic of the State in which we live.

Title I is a very important part of this financial assistance which frees people to work to solve these problems. In the past 7 years, a total of $676,000-plus has been awarded in title I grants in Vermont. In the context of the Federal budget, this is the merest of merest drops; and yet, it has made a tremendous difference in Vermont because Vermont is small.

Its communities are small. Its institutions of higher education are, for the most part, small. A few thousand dollars makes a big difference. And this money has been spread around wisely and judicially where it can do the most good.

In the past 7 years, these funds have supported 53 separate projects at 19 different institutions. I happen to have very close knowledge of one of these projects in southeastern Vermont which provided career counseling and life planning for women.

The title I grant was a modest $8,300. Working with the Brattleboro Women's Center, the sponsoring college trained women in small groups to train other women in skills relating to employment. Over 100 women were involved for almost 1 year, most of whom were initially unemployed, many of them single parents living on welfare.

These training sessions were so successful that most of the participants found employment, and the impact continued in the following year and even the year after, long after the grant itself had expired. This small drop of money made a large splash in the morale and effectiveness of scores of persons and their contribution to their communities.

If we were to measure the economic benefit of this project alone, measured in terms of reduction of welfare payments and creation of new taxpaying citizens, I think it would rival the proverbial bread cast upon the waters and returning a hundredfold.

I suspect this is the story of title I throughout the State. You multiply that one modest project by 53 in a wide variety of settings relating to a wide diversity of community needs, and you have some sense of the significance of title I in this State.

Now, I think this brief profile makes several things clear about the proposed structure of the title I program. First of all, it is imperative, I believe, that the minimum allocation for States be large enough to effectively administer the program in Vermont and also leave enough funds to spread the money around to a number of institutions.

Let me stress that the presence of a title I staff person is important to the State. Such a person can be and has been very helpful in offering workshops on grant writing, in helping institutions develop ideas, in being a catalyst for cooperative activities and generally making grassroots participation in title I a real possbility and a reality.

Such a person is an important resource, particularly to small institutions and community organizations who cannot afford specialized staff, nor can they afford to send their staff to expensive grant-writing workshops.

Now, I understand there are proposals which would create a floor for this program of $25,000 or $50,000. This is simply too low for Vermont. The present allocation in Vermont of $100,000 to $125,000 is really scarcely enough as a minimum, and I would completely underscore the comments of my colleague that this title needs to be more adequately funded.

But I think it is important that you look at this issue of the minimum and insure that the State gets enough money to effectively administer the program and also have enough for several of these small institutions to carry out their projects.

Second, the success of title I in Vermont rests very much, I think, on the fact that grants are awarded to institutions and the priorities are set by an advisory committee which knows this State and knows its institutions and knows the local communities well. A system in which a significant portion of title I funds were awarded on the basis of national competition would almost certainly be a disservice to a State such as Vermont.

In summary, I think it is essential that you hear three words very clearly here today: small, rural, and local. Whatever else you may do to change title I, you must make sure that at the very least, you do not jeopardize, and at the most, you seek to maximize the capacity of this program to serve adults in contexts in which these three words, "small," "rural," and "local," are significant modifiers.

Thank you again for this opportunity to speak.

Mr. FORD. Thank you.

Dr. John Eurich.

[The prepared statement of John W. S. Eurich follows:]

PREPARED TESTIMONY OF DR. JOHN W. S. EURICH, DEAN, GODDARD EXPERIMENTAL PROGRAM IN FURTHER EDUCATION, GODDARD COLLEGE, PLAINFIELD, VT.

The Goddard Experimental Program in Further Education is currently serving over 200 adult students in full-time programs. Its students maintain their jobs and family responsibilities while fully enrolled because of the ways the program has found to make educational capital out of students' experience, their work lives, and their native intelligence. The median age of the students is 34.

Goddard College itself has been working with adult students for over 40 years, since its founding in 1938. Some 80 percent of Goddard's enrollees are over 21 years old. Unlike those institutions which have become interested in the "adult market" since the numerical importance of the 18–21-year-old age group has begun to decline, Goddard has consistently applied the principles of progressive education, propounded by its patron saints John Dewey and William Heard Kilpatrick, to the education of adults from the day of its founding until now. Important work has been done at Goddard over the years in investigating the ways in which adults learn, as well as in examining the logistical problems which adult learners face when they decide to return to school.

Pioneering in adult education is just one of the ways in which Goddard has deliberately placed itself outside the mainstream of American higher education. I won't go into some of Goddard's other pioneering efforts; suffice it to say that Goddard was one of the first institutions to abolish tests and grades in favor of a system of self evaluation which, easy though it might appear from a distance, students find to be far more rigorous and productive than more conventional ways of demonstrating learning. Just as in other contexts, pioneers are lonely, often unappreciated, and sometimes overlooked.

It is my opinion that, in Vermont at least (and I also found this true on a recent trip to the west coast), most of the important innovative work now being done in adult education is being done by nontraditional colleges such as Goddard and the Community College of Vermont, probably the only two institutions in the State which do not think of adult education simply in terms of warmed-over courses offered evenings for the adult population not lucky enough to be around during the day. It is my opinion that the experienced community of adult educators in this State regard the adult learner as an advantaged, rather than a disadvantaged student, one with a wealth of assets which have given rise to a whole new form of education, rather than a substitute for what is offered the 18–21-year-olds. The nontraditional colleges are at the point where they need funding for such things as how to link college resources to the resources of community action agencies to produce accredited learning that is both of an acceptable college level and relevant to the careers of the students and to the needs of their communities. Our non-traditional colleges are at the point where they need funding to train faculty members in the unique arts of teaching adult students. Again, teaching the same way we teach 18 years olds is an anachronism.

As a member of the community of experienced adult educators, I would like my voice to be heard in favor of title I legislation which will not be prejudiced in favor of those institutions which are just beginning to find their way in the field of adult education at the expense of those who without funding and without the support of the educational "establishment" have undertaken needs assessments, planning studies, and problem-solving marathons on their own and are, in fact, already acting on their findings in operating programs which are meeting the needs of adult students. Legislation which appropriates large sums for planning and research is, from the point of view of the institution which has already left this phase of history behind it, not what is needed in the 1980's. Monies must be allocated for the pioneering institution of higher education which needs help in refining its process, in experimenting further, and in enabling its target populations to make use of its resources. In short, the non-traditional colleges should not be made to wait while late-comers to the field catch up by doing their own repetitive needs assessments, planning studies, etc. Money for planning must be supplemented by money for doing.

To refer specifically to H.R. 4531 for a moment. I consider the emphasis on planning grants to be excessive. On the other hand, the concept of linking the efforts of higher education institutions to community efforts to solve problems of housing, poverty, government, recreation, employment, etc. is to be applauded. My own program has an unfunded proposal lying around gathering dust which speaks to this very linkage. Another nontraditional college of my acquaintance has another unfunded proposal lying around gathering dust which speaks to the training of persons employed in community service agencies as adjunct faculty members acceptable to the higher education community. H.R. 4531 addresses the need for community/IHE cooperation alrealy anticipated by the experienced adult education community in Vermont.

An important question for the nontraditional institutions to ask is: what kind of legislation will make their innovative projects more fundable, legislation which places more control over the disposal of funds in the States or legislation which places more control over the disposal of funds in the Office of Education? My own answer to this is that projects which are truly innovative, projects concerned with "doing", rather than "planning", projects that refine a process rather than get one going off to a bumbling start, stand a better chance of being funded if the Office of Education is making the grants. The only exception which I could see to this would be a situation in which representatives of community agencies sat on the panels which consider grant proposals. In general, it can be expected that when these panels contain exclusively representatives of conventional institutions of higher education, the projects of conventional institutions breaking into the "market" will be looked on with more favor than those of nontraditional institutions which are further along on the way toward meeting the needs of adults. To me, the concentration of a large proportion of the total appropriation in the Office of Education for direct grants to institutions would serve the needs of the nontraditional college better, and with them the needs of the adults already being served by these colleges.

STATEMENT OF JOHN W. S. EURICH, DEAN, GODDARD EXPERIMENTAL PROGRAM IN FURTHER EDUCATION, GODDARD COLLEGE, PLAINFIELD, VT.

Mr. EURICH. Mr. Chairman and members of the House Subcommittee on Postsecondary Education, I too thank you for this opportunity to testify on issues related to title I. I am Dr. John Eurich, dean of the Goddard Experimental Program in Further Education.

I believe I was asked to testify in my capacity of Acting chairman of the Steering Committee of the Vermont Network of Lifelong Learning, a new reformed organization of professionals in the field of adult education. The members of the Vermont Network of Lifelong Learning are quite insistent on seeing the organization as a collection of individuals free to speak and act as individuals active in the field rather than as representatives of their institutions or agencies.

As one such individual, I have chosen to testify today from the point of view of an experienced professional in the field of adult education in a nontraditional college.

The Goddard Experimental Program in Further Education is currently serving over 200 adult students in full-time programs. Its students maintain their jobs and family responsibilities while fully enrolled because of the ways the program has found to make educational capital out of students' experience, their worklives, and their native intelligence.

The median age of the students is 34. The program is now in its 13th year of operation. Goddard College itself has been working with adult students for over 40 years, since its founding in 1938. Some 80 percent of Goddard's enrollees are over 21 years old.

Unlike those institutions which have become interested in the "adult market" since the numerical importance of the 18–21-year-old age group has begun to decline, Goddard has consistently applied the principles of progressive education propounded by its patron saints John Dewey and William Heard Kilpatrick to the education of adults from the day of its founding until now.

Important work has been done at Goddard over the years in investigating the ways in which adults learn, as well as in examining the logistical problems which adult learners face when they decide to return to school.

Pioneering in adult education is just one of the ways in which Goddard has deliberately placed itself outside the mainstream of American higher education. I won't go into some of Goddard's other pioneering efforts. Suffice it to say that Goddard was one of the first institutions to abolish tests and grades in favor of a system of self-evaluation which, easy though it might appear from a distance, students find to be far more rigorous and productive than more conventional ways of demonstrating learning. Just as in other contexts, pioneers are lonely, often unappreciated, and sometimes overlooked.

It is my opinion that, in Vermont, at least (and I also found this true on a recent trip to the west coast), most of the important innovative work now being done in adult education is being done by nontraditional colleges such as Goddard and the Community College of Vermont, probably the only two institutions in the State which do not think of adult education simply in terms of warmed-over courses offered evenings for the adult population not lucky enough to be around during the day.

It is my opinion that the experienced community of adult educators in this State regard the adult learner as an advantaged rather than a disadvantaged student, one with a wealth of assets which have given rise to a whole new form of education rather than a substitute for what is offered the 18–21-year-olds.

The nontraditional colleges are at the point where they need funding for such things as how to link college resources to the resources of community action agencies to produce accredited learning that is both of an acceptable college level and relevant to the careers of the students and to the needs of thier communities.

Our nontraditional colleges are at the point where they need funding to train faculty members in the unique arts of teaching adult students. Again, teaching the same way we teach 18-year-olds is an anachronism.

As a member of the community of experienced adult educators, I would like my voice to be heard in favor of title I legislation which will not be prejudiced in favor of those institutions which are just **beginning to find their way in the field of adult education at the expense of those who without funding and without the support of** the educational "**establishment" have undertaken needs assessments, planning studies, and problem-solving marathons on their own and** are, in fact, already acting on their findings in operating programs which are meeting the needs of adult students.

Legislation which appropriates large sums for planning and research is, from the point of view of the institution which has already left this phase of history behind it, not what is needed in the 1980's. Moneys must be allocated for the pioneering institution of higher education which needs help in refining its process, in experimenting further, and in enabling its target populations to make use of its resources.

In short, the nontraditional colleges should not be made to wait while latecomers to the field catch up by doing their own repetitive needs assessments, planning studies, et cetera. Money for planning must be supplemented by money for doing.

To refer specifically to H.R. 4531 for a moment, I consider the emphasis on planning grants to be excessive. On the other hand, the concept of linking the efforts of higher educational institutions to community efforts to solve problems of housing, poverty, government, recreation, employment, et cetera, is to be applauded.

My own program has more than one unfunded proposal lying around gathering dust which speaks to this very linkage. Another nontraditional college of my acquaintance has another unfunded proposal lying around gathering dust which speaks to the training of persons employed in community service agencies as adjunct faculty members acceptable to the higher education community.

H.R. 4531 addresses the need for community/IHE cooperation already anticipated by the experienced adult education community in Vermont.

An important question for the nontraditional institutions to ask is: What kind of legislation will make their innovative projects more fundable, legislation which places more control over the disposal of funds in the States or legislation which places more control over the disposal of funds in the Office of Education?

My own answer to this, not very popular, is that projects which are truly innovative, projects concerned with doing rather than planning, projects that refine a process rather than get one going off to a bumbling start, stand a better chance of being funded if the Office of Education is making the grants.

The only exception which I could see to this would be a situation in which representatives of community agencies sat on the panels which consider grant proposals in the States. In general, it can be expected that when these panels contain exclusively representatives of conventional institutions of higher education, the projects of nonconventional institutions breaking into the so-called market will be looked on with more favor than those of nontraditional institutions which are further along on the way toward meeting the needs of adults.

To me, the concentration of a large proportion of the total appropriation in the Office of Education for direct grants to institutions would serve the needs of the nontraditional college better, and with them the needs of the adults already being served by these colleges.

Thank you.

Mr. FORD. Ms. Miller.

[The prepared statement of Myrna R. Miller follows:]

PREPARED STATEMENT OF MYRNA R. MILLER, DEAN, COMMUNITY COLLEGE OF VERMONT, MONTPELIER, VT.

Mr. Chairman and members of the subcommittee, I am Myrna R. Miller, Dean of the College, the executive officer of the Community College of Vermont. Because my institution's primary mission is community service and adult education, I am pleased for this opportunity to testify before you today on Title I of the Higher Education Act.

First, Vermont is a small, rural state with a high proportion of communities with the problems stipulated in Title I (A) that is, housing, poverty, recreation, employment, youth opportunities, transportation, health and land use. It is both highly appropriate and an excellent use of resources for the Colleges and Universities of this state to participate in helping communities find solutions to these problems. Because our communities are spread across mountains and between rivers, delivering education in remote areas requires innovative creative systems. The Higher Education Act clearly encourages colleges to provide community service to the people of Vermont.

The small grants made available through Title I are valuable in that they bring results directly to the people. The Community College received a grant which brought together representatives of seven agencies with six community members in collaboration on the planning and development of course offerings in two of the most underserved counties in the state. Two years beyond termination of the funding, this consortium continues, successfully, to provide comprehensive non-campus postsecondary education to the people of those counties. This success story should encourage the Subcommittee to value the cooperative sharing of existing educational resources.

Second, may I urge you to retain the requirement in Title I(A) that all course offerings be of college level. This will motivate institutions to maintain high quality instruction and programming. It will also move institutions to incorporate community service programs into the regular curricula leading to degrees. Without this full commitment from postsecondary education, community problams will receive band-aid cures, and potential solution will not become truly incorporated into the fiber of the communities. I assure you gentlemen, that the problems of the rural, isolated, poor deserve serious, educational solutions.

One of these solutions is to provide education specifically designed to meet the needs of adults. The Community College of Vermont is a non-traditional institution which serves this adult population. The mean age of our graduates is 41 years. Almost all of these students are employed and attend part-time. They require inexpensive education near to their homes and at times convenient for them. In addition, they need to study topics important to their personal lives and job needs. They cannot be threatened and they must be rewarded. The majority of our degree students are first generation college students. In fact, 37 percent of their fathers completed only elementary school. This group has low educational aspirations. They must be sought out and offered education on terms acceptable to them.

May I urge the Subcommittee to give serious consideration to Section 134, "Improvement Grants," of Representative Tauke's bill. The particular emphasis on educational programs for persons inadequately served is crucial. The elimination of barriers to student access is certainly a worthy goal. This emphasis is essential to break the pattern of institutions built, organized and funded to provide education for young students who live on campus. In the past, many continuing education programs were used to accrue income to support the regular day-time program designed for adolescents. We must turn this emphasis so that adults receive fair treatment and equal opportunities. They, after all, compose-our labor force and tax paying population. With support from the Higher Education Act, postsecondary education will continue progress toward the greater goal of equal opportunity for all.

In closing, I would like to state that the suggested per state minimum of $25,000 is unrealistic. A minimum of $100,000 is likely to keep grants competitive and evenly distributed within each state. Any lesser amount would most likely be wasted on programs too minor to have any real impact.

I will be happy to answer any questions the Subcommittee may have.

STATEMENT OF MYRNA R. MILLER, DEAN, COMMUNITY COLLEGE OF VERMONT, MONTPELIER, VT.

Ms. **Miller**. Thank you.

Mr. Chairman, members of the subcommittee, I am Myrna R. Miller, dean of the college, executive officer of the Community College of Vermont.

We have recently taken a 45-percent cut in our funding. We do not have a president. I am its executive officer. Because my institution's mission is community service and adult education, I am pleased for this opportunity to testify before you today on title I of the Higher Education Act.

First, to repeat what my colleague has said, Vermont is small and rural. It is a State with a high proportion of communities with very serious problems, and those have already been pointed out, stipulated in the title I, part A. That is, we have housing problems, poverty, recreation, employment, youth opportunities, transportation, health and land use problems that are disproportionate in many ways to our total population.

Therefore, it is highly appropriate and an excellent use of resources for the colleages and universities of the State to participate to help communities find solutions to these problems. Because our constituents are spread across the mountains and between rivers, delivering education in remote areas requires innovative, creative systems. The Higher Education Act clearly encourages colleges to provide community services to the people of Vermont.

Therefore, I would like very much to have you consider seriously how important it is to us. The small grants made available through title I are valuable. They bring results directly to the people. The community college received a grant which brought together representatives of seven agencies and included six community members in a collaboration, a consortium that planned and developed course offerings in two of the most underserved counties in the State, Franklin and Grand Isle.

Two years beyond termination of that funding, this consortium continues successfully to provide comprehensive noncampus postsecondary education to the peoule of those counties. This success story should encourage the subcommittee to the value the cooperative sharing of existing educational resources.

We in the State of Vermont try very hard to work together and pull together to take care of our adults who require education.

Second, I urge you to retain the requirements in title I(A) that all course offerings be at college level. This will motivate institutions to maintain high quality instruction and programing. It will also move institutions to incorporate community service institutions into the regular curricula leading to degrees. Without this full commitment to postsecondary education, community problems would receive band-aid cures and potential solutions will not be truly incorporated into the fiber of the communities.

We feel that if people can study topics around their own problems, they will learn solutions and they will stay at home and continue to work on solutions to those problems once they have learned the skills involved. I assure you, gentlemen, that the problems of the rural, isolated poor, deserve very serious educational solutions.

One of the solutions is to provide education specifically designed to meet the needs of adults. My colleague has pointed out that we in the nontraditional education business have been struggling for years to be on the cutting edge of taking care of adults. I think we should listen to his words.

The Community College of Vermont is a nontraditional institution which serves this adult population. The mean age of our graduates is 41 years. Almost all of these students are employed and attend part-time. They have little money to spend on tuition. They require an inexpensive education. It has to be near their homes and at times convenient for them.

In addition, they need to study topics important to their personal lives and job needs. This means often, as Dr. Eurich has pointed out, an entirely different view of what should be learned than that of the traditional student. The majority of our students are first-generation college students. In fact, 37 percent of their fathers completed only elementary school.

I hope you know what it means for an adult in fear to try to achieve a college education when they have never been exposed to people who are educated. This group has such low aspirations that we have to go out and find them and help them discover the rewards of education, and that education has to be on terms acceptable to them.

May I urge the subcommittee to give serious consideration to Section 134, Improvement Grants, of Representative Tauke's proposed bill. The particular emphasis on educational programs for persons inadequately served is crucial. The elimination of barriers to student access is certainly a very worthy goal and one which the Federal Government should stand behind as much as possible. This emphasis is essential to break down the pattern of institutions built, organized and funded to provide education for young students who live on campus.

In the past, many continuing education programs were used to accrue income to support the regular daytime programs designed for adolescence. We must turn this emphasis so that adults receive fair treatment and equal opportunities. At this point, there are continuing education programs around the country which cost more to attend than the regular program. The adult suffers both from higher tuition and a lack of financial support because they often only can take one course at a time.

We have to strive to find ways to help serious students get funding so that they can continue in the educational stream. They will give up if we cannot help them. After all, these adults compose our labor force and they are the taxpaying population. They deserve to be served just as readily as their children.

We have spent years and years thinking of students as being 18 to 21 years old. We must give that up. With support from the Higher Education Act, postsecondary education will continue progress toward what I believe is what all Americans truly hope for, and that is equal opportunity for all.

In closing, I would like to state that the suggested per-State minimum of $25,000 is unrealistic. A minimum of $100,000 is likely to keep grants competitive and evenly distributed within each State. Any lesser amount would be likely wasted on programs too minor to have any real impact. Once we begin to distribute very small funds to a State, it is unrealistic to believe the State can do anything.

I would like to have the opportunity to answer any questions you may have, both on nontraditional education and what the community college has been able to do here in our State.

Mr. **Ford**. Thank you.

Kenneth Fishell.

[The prepared statement of Kenneth N. Fishell follows:]

PREPARED STATEMENT OF KENNETH N. FISHELL, ASSOCIATE VICE PRESIDENT FOR ACADEMIC AFFAIRS, THE UNIVERSITY OF VERMONT

Needs and demands for services in areas covered by Title I of the Higher Education Act increase each year. Higher education institutions are sources of expertise that can and should be made available to meet needs in public service and continuing education.

In accepting this premise, I would like to offer some comments in support of reauthorization of the Higher Education Act and particularly Title I. I am aware that Title I has been criticized as not having been particularly effective in some places. However, in Vermont I don't believe that such criticism is warranted. While total dollars have been limited and individual projects have been small, the impact of the projects has been great.

I am aware that proposals have been made to change the Higher Education Act in ways that will be more responsive to the service of educational needs in urban areas. There is certainly merit in such proposals, but one should not lose sight of the fact that similar needs exist in small cities, towns and rural areas. I believe that Title I can be designed to respond to public service and continuing needs in rural areas.

In the reauthorization of Title I, I hope the following elements may be considered:

1. There are differing needs and problems in rural and urban areas. In many instances the unit cost of a service may be much higher in rural areas.
2. In rural regions, statewide planning and coordination of projects is particularly necessary. There is also need for a degree of local autonomy if public service projects are to meet community needs.
3. Coordination of the services of educational institutions is desirable and probably necessary if any services are to be provided with any degree of efficiency.
4. Special consideration should be gixen to the possibilities of the use of educational media and newer forms of communication as opposed to the more conventional methods of continuing education.
5. A sum of money should be specially assigned to each State for assessment, planning and coordination of programs.

While I support the Higher Education Act and Title I in particular I do so with some reservations. I agree with the objective of establishing and strengthening community service programs of colleges and universities, but have some trouble with the implementation strategies. We are committing too little too slowly to meet such an objective in the next decade. I would feel more comfortable if we were here to discuss bold new legislation to enhance higher education's ability to provide a wider range of services to the public. Rather, I feel that we are discussing revisions that will offer some help and a valuable service, but one that barely scratches the surface on what is possible.

STATEMENT OF KENNETH N. FISHELL, ASSOCIATE VICE PRESIDENT FOR ACADEMIC AFFAIRS, THE UNIVERSITY OF VERMONT

Mr. FISHELL. There is a short statement from me on the table, but I don't believe the committee has it yet. I will only take a brief period of time, Mr. Chairman and committee members. The panel, I believe, have covered a good deal of remarks, and I think maybe as one gets to the end of a group of six or seven people, there is not too much left to say.

I would like to focus my remarks, though, on one particular issue that has been hit earlier but which I think deserves even more consideration. That is the problems that come from trying to deliver services in rural regions.

We have talked about the State being rural, low population density and things of that sort, but I would like to take a couple of moments, if you will permit me, to talk about some of the specific problems this presents, and also to contrast this with urban areas.

My own experience helps me to do this, in that I came to the University of Vermont from Syracuse University. The city of Syracuse has a population roughly equivalent to the State of Vermont. The services and the way those services are delivered are quite different when you look at Syracuse University, which had a large continuing education program.

The most travel the people did in that program might have been 5 or 6 miles to get to an area school to get to a particular workshop or something, so there was not the matter of getting in a car and driving 2 hours to get to Newport to teach a course or anything of this sort.

So to begin with, we have all of the geographic, logistic problems in serving rural areas. I think those have been hit upon pretty much.

On the other hand, we also have a concept that in most cases adults pay their own way for their education. The typical continuing education course must have a number of students in order to operate, typically something like 10, 12, or 15, depending upon the institution. That is the break-even point. That is the amount you can use to pay the professor and pay the expenses of operating a course. And then you have the course.

In many places, to get the 10, 12, or 15 students in a different location is very, very difficult, and I don't know whether, unless one experiences these kinds of things, that you can really have that feeling, the kind of thing, for instance, that Myrna hits every day with the community college of trying to get a critical mass of people to offer a course. There may be only five people who need a mathematics course, but those five need that course equally as much as in a city where you hang out your shingle and thirty people show up to take whatever course it happens to be. So we have that set of problems.

The same with public service problems. You can have a community development project in a city that easily could serve 100,000 or 200,000 people, and it is still in what would be circumscribed as a community. On the other hand, in rural areas your community may be 2,000 people, it may be 1,500 people in another place, and each community has a different set of problems.

So the cost factors, as I see it, are much greater for rural areas. To deliver any type of a service in a rural area is going to cost you more per person.

Now, I do not know how the committee can factor that into its thinking ultimately, but I do think that you must be conscious of all of these issues around ruralness. I know that in the early times we have tended to ignore some of the problems of urban areas as we have thought about adult learners because we have automatically assumed a lot of services were there and we haven't gotten to some of the people we should have gotten to.

But I think it is very, very important to be vitally concerned about coordination efforts if one is to serve in rural areas because you have limited resources and you have got to spread those resources very, very wide. As a result, I do not think that you can hope to use conventional methods and offer the kinds of services that people need.

I do not think that you can take courses into communities and make those courses pay. They are going to be costly, and someone else is going to have to pay some of the bill other than that adult learner, one way or the other.

So with those things in mind, I would propose the committee give very serious consideration to some differential for ruralness. People have talked about amounts of money and this sort of thing, and I don't really care to get into that today except that there does have to be some floor or you really cannot deliver any service in a rural area.

Second, and I think this is equally as important as far as I am concerned, I think that somewhere in the legislation there must be some rewards for getting higher education institutions to work together to cooperate, to plan, to coordinate their activities. If you tend to foster competition rather than cooperation in rural areas, you find that you simply do not serve.

You get an area where there is a population concentration such as the Burlington area here in Chittenden County, and you will get several institutions that would be happy to offer courses, to offer programing, to offer workshops, et cetera. And then you get to another rural area where the population concentration is maybe 2,000 people, and no one wants to go in there because there was not going to be any money for that.

So I think somewhere in the legislation there has to be some rewards for getting higher institutions to work together cooperatively.

I applaud, for instance, the concept of State planning, of developing thrusts that do reflect the needs of a region and an area. As a result, I think that the legislation and the new proposals that I have read are going in the right direction and I am very pleased to be supportive both of title I as it was and title I as I think it is evolving.

But I do hope that some of these considerations of the special problems in meeting the needs of a rural region will be brought up. And I am not speaking just for the State of Vermont. Last summer I had occasion to spend time in Wyoming, and I found exactly the same sets of problems in Wyoming. I think probably in certain portions of Iowa we would get into the same kinds of problems, in northern Wisconsin, and wherever one would go. You could probably find these same sets of issues.

So I think that we do need title I. We need it desperately. It is probably, to be very frank, a drop in the bucket as to what we really do need to get higher education services available to people and to communities throughout the country. But I think it is a step in the right direction.

I applaud it, and I only ask you to think a little bit of the personal kinds of problems that result in trying to deliver these services in rural areas because I think they are a little bit unique.

Thank you very much.

Mr. FORD. Thank you.

Frank Smallwood.

[The prepared statement of Frank Smallwood follows:]

PREPARED STATEMENT OF FRANK SMALLWOOD, CHAIRMAN, VERMONT HIGHER EDUCATION PLANNING COMMISSION, STATE OF VERMONT

I am pleased to have an opportunity to testify on the reauthorization of the Higher Education Act with special reference to Title I activities (Community Service and Continuing Education).

Title I funds in Vermont are administered by the University of Vermont, and individual project applications involve review and approval by the Higher Education Facilities Commission which serves as the Title I advisory committee in the State. The Vermont Higher Education Planning Commission is kept fully informed of Title I activities, both by the University of Vermont and by the fact that our Executive Director, David Otis, also serves as Executive Secretary of the Facilities Commission.

Based on my own review of Title I projects from 1974 to 1979, I would like to make three personal comments to the Subcommittee.

Title I funding in the State has covered a variety of important priority needs which have been identified and developed by the University program administrators and the State advisory committee (i.e. Expanded Learning Opportunities and Human Development; Environment and Energy; Health Care; Resource Sharing; Career Development; Needs Assessment; and Industry/Labor projects). My first point is to stress the importance of delegating flexibility to the states to develop their own Title I priorities that are most responsive to their own needs within the general guidelines established by Congress. For example, because of the essentially rural nature and the particular concerns and needs of this state, Vermont institutions have placed a heavy emphasis on our first two Title I priorities—Expanded Learning Opportunities and Human Development; and Environmental and Energy projects. Other states, with different population and environmental characteristics, might find it appropriate to emphasize a different set of priorities. I think that this is a healthy and desirable benefit which grows out of the American system of federalism.

Second, I think it is important for Title I funds, insofar as possible, to be used to encourage cooperative programs between different postsecondary institutions from both the public and the independent sectors. This policy should be permissive rather than mandatory. However, as we enter the 1980's, all higher education institutions will face difficult problems meeting escalating inflationary costs. Many institutions will also probably place increased emphasis on adult continuing educational services to adjust to the projected drop in the traditional high school enrollment pool. I think cooperative efforts are extremely desirable under these circumstances.

One of the most successful illustrations of such a cooperative effort is to be found here in the State of Vermont. In 1975–76 Title I funds were provided to enable the University of Vermont, the Community College of Vermont, the Vermont State Colleges and other institutions to develop an educational consortium in St. Albans to coordinate the provision of outreach services to adult learners to the northwest region of the State (primarily Franklin, Lamoille and Grand Isle Counties). This program has received favorable publicity throughout the nation as an effective use of the consortium approach to expand educational outreach services for a largely rural population. The success of this consortium effort highlights the value for states like Vermont to coordinate their postsecondary educational programs in an effort to provide maximum services within the limits of existing resources.

Third, as the members of the Subcommittee know, the Higher Education Act of 1965, as amended, consists of twelve major titles which call for the provision and strengthening of a wide range of postsecondary educational programs. The Vermont Higher Education Planning Commission was established in 1974 under sections 1202, 1203 of Title XII to promote comprehensive postsecondary educational planning throughout the state. While I fully endorse Title I programs and support their continued authorization and flexible funding, I also want to take this opportunity to urge Congress to continue to maintain and support comprehensive statewide postsecondary educational planning efforts under Title XII of the Higher Education Act.

I have served as Chairman of the Vermont Higher Education Planning Commission since its establishment in 1974. On a number of occasions our future funding status has been questionable, and we have basically been level-funded (at approximately $33,000 per year) for the past four years. Since the educational planning function by its very nature involves a reasonable degree of lead-time and continuity if it is to be effective, I hope the Congress will regard this as a high priority commitment in the future by providing continuing funding for 1202 planning efforts. Hopefully, you might consider modest funding increases to at least keep pace with inflation. Unless we are able to promote comprehensive educational coordination and planning within each state, I think it will be difficult to realize the maximum potential from other provisions of the Higher Education Act which relate to the provision of a host of complex and diverse postsecondary services.

STATEMENT OF FRANK SMALLWOOD, CHAIRMAN, VERMONT HIGHER EDUCATION PLANNING COMMISSION, STATE OF VERMONT

Mr. SMALLWOOD. My name is Frank Smallwood and I am Chairman of the Vermont Higher Education Planning Commission, designated as the 1202 Commission in the State of Vermont under Section 1202 of the Higher Education Act.

A lot of people have indicated things I wanted to say, so I am going to briefly summarize my first two points. I want to hit rather hard my third point, which has not been covered in any great detail except a point that Dr. Eurich started to touch on and I want to go into a little further.

My first point is title I is a very useful program in Vermont. I think it is very important to allow the State flexibility as it has had to establish its own category of priorities, indeed our own needs as a rural area, which other people have emphasized. And I think if you look at the way our funds have been spent in Vermont, you can see that many of the projects have been designed to be of use in the State.

My second point is one that Ken Fishell just made. I would certainly like to use title I and the other titles to encourage cooperative efforts. I cite here the Franklin County-Grand Isle Consortium which Myrna referred to as an excellent example of how Federal funds were used to get institutions together to provide services for the rural region.

We are going to have to, I think, stretch the cooperative efforts in the future. As has been pointed out, there are 23 institutions of higher education in Vermont, independent and public. I think we are developing, with the help of the High Education Council and the two committees which have worked on it, a climate of cooperation, and I think it is important to continue this rather than setting up further competition.

My third point is the relationship of statewide planning to all of this, and particularly the 1202 Commission. Yesterday I felt like I was back in the State legislature. I received a package from Jennifer Vance of proposed bills, so I spent all day yesterday reading proposed bills, some of which I didn't know of.

Jim, I was not aware you had put in a bill, which I presume was submitted on behalf of the Education Commission of the States. Prior to reading these bills, I would have ended up exactly the same way Ken

Fishell did, by saying I think Congress is moving in the right direction.

After reading these bills, I am not sure in what direction you are moving, and I would really like to say something about the Higher Education Act in general and the relationship of statewide planning to this.

I think this act, in retrospect, was put together backwards. It is a collection of titles, many of which have never been funded, and then in a compromise in 1972, a midnight compromise, the 1202 commissions were added and said to coordinate, consolidate, and put all of this together, and that is basically what we have here, a collection of titles, some of which were funded, some of which were not funded, and then sort of a general statement; OK, 1202, see what you can do about it.

Now, different States, as you know, rural and urban States differ in programs and have organized this in a different way. I was just interested, since I knew the three congressmen were going to be here, to see how the three States represented in Congress were organized, and they are different.

Iowa is one of six States which has a statewide governing board but no statutory coordinating board. Michigan is one of two States which has an elected public membership in its 1202 commission. Vermont is one of two States, along with Delaware, which has no statutory statewide agency at all.

The 1202 commission in Vermont is created by an executive order of the Governor. It receives no funds from the State. Our appropriation is solely Federal. It is $33,000 a year. Our staff consists of one-third of a budget officer from the office of budget and management in Montpelier, a half of a secretary from that office, a young research assistant who fills out Federal forms and all of the rest of that, and the rest of us are really lay members, although some of us represent institutions.

In other words, we don't really have a large statewide planning bureaucracy in the State of Vermont. [Laughter.]

That is another rural characteristic.

Now, what really scares me here, and I am going to express an alarm. As I read these title I bills, they are calling for more and more statewide planning. I think you referred to it, Doctor, as excessive planning. I am not against planning, but I don't know how we are going to deliver this planning. Quite frankly, I do not think Vermont, a small State, has the bureaucratic capabilities to stand up to what HEW or the new Department of Education might want in the way of these general plans.

Under postsecondary education in title X, the definition is very broad. It covers the waterfront. Every conceivable kind of program you can think of under title XII. The definition of higher education is very broad.

Then, in many of these title I proposed amendments here, you want planning that really, quite frankly, exceeds our capability. What I am worried about here is we are getting into a trap. We have created these planning mechanisms which are not very heavily funded under title XII. But then under each of the individual titles, we are calling for more and more planning. And if I read some of these bills, title

I in Vermont is administered right now by the University of Vermont, but under some of these bills, I am not sure that would be applicable any more because it calls for the program to be administered by a representative. In some States it even says the 1202 commission shall administer the title I program.

So I am very interested, Jim, in your bill, which deals with the 1202 commissions. What I am encouraging you to do here and what I am urging you to do in my third point is to relate the planning capability of the States to the planning requirements that are going to be carried out under each of these individual titles. If this is not done, I don't think the smaller States like Vermont are going to be able to deliver the kinds of plans required by Federal statute.

It is very easy to put in that we want to know everything about everything, and then we may not qualify and may lose the title funds and other title funds entirely. So I am warning you to think of how you integrate statewide planning into these programmatic requirements in the different titles.

I would be glad to answer questions if you have any, but that is the main point I want to make. Thank you.

Mr. Ford. Thank you. Thea Froling.

[The prepared statement of Thea Froling follows:]

Prepared Statement of Thea Froling, State Administrator for Title I for Vermont

Mr. Chairman: I am Thea Froling, State Administrator for Title I for Vermont. In my testimony before this Committee today I will address the following three questions:

(1) What are the goals and purposes of Title I of the Higher Education Act?

(2) How do these goals relate to the community service and continuing education needs of a predominately rural state such as Vermont?

(3) What elements are essential for Title I?

GOALS AND PURPOSES OF TITLE I

To date there have been several proposals from many sources regarding the shape and form which Title I should take when reauthorized. Although the specific language and emphasis has varied greatly, there appears to be a consensus on the importance of the Title I Act; the social goals which the legislation can help address; the legislative purposes of the Act; and the basic delivery mechanism.

The social goals are: first, to provide equal postsecondary educational opportunity to all citizens, including equitable access and choice, and second, to improve the quality of community life.

The three legislative purposes are: to provide continuing education to adults who are not currently served by educational offerings in their communities; to develop educational offerings to improve adults' capacity to deal with community problems and issues; and to strengthen and expand the postsecondary educational provider system through research, experimentation, staff development, planning and resource sharing.

The delivery mechanism is: a partnership of Federal and State agencies working together to respond to the educational community service and continuing education needs of communities across the United States.

RELATIONSHIP OF GOALS AND PURPOSES TO VERMONT

Vermont is a predominately rural state; just as the bulk of her population resides in rural communities of less than 2,500 residents, so do her community problems and educational needs follow suit. This is not to say that her urban centers are trouble free. As these towns have grown they have spawned troubles usually associated with cities; increasingly they have become prey to the ills of "modern society." Any attempt to serve the community service and continuing education needs of Vermonters must therefore maintain a dual focus; first upon the unique problems associated with serving a population of limited mobility spread thinly across a geographic area; and second upon the very different needs of those citizens living in towns.

This dual focus and necessary attention to rural citizens is not unique to Vermont. By U.S. Bureau of the Census "Census Rural" statistics, 53.9 million citizens, or 26.5% of the total U.S. population lives in rural areas. Forty-five percent of those adults are considered by the Bureau of the Census to be educationally disadvantaged.

Since Title I's inception Vermont has successfully utilized its annual allocation to foster programs which show promise of serving the community service and continuing education needs of Vermonters.

EXAMPLES OF EXEMPLARY PROJECTS

More than 53 projects have been funded in the last seven years alone; a quick perusal of their titles reveals a plethora of exciting and important work. Although I have included a summative history of this work for your later examination, I will draw to your attention only a few examples at this time.

University of Vermont.—A Program for Tourism and Travel Development. This project has just received its second year of funding. During the first year its primary objective was to develop the professional human relations skills of the tourist industry employee—often a native rural Vermonter with no professional training and little prior experience with out-of-Staters. The first year of the project's operation was so successful that the training sessions became self-sustaining. The goal of the second year is to develop a more extensive program and to train additional trainers. The Agency of Development and Community Affairs has contributed $4,000.00 for the audio visual component of this project.

Saint Michael's College.—Collective Bargaining and Dispute Settlement in the 1980's. This conference aims to raise the collective bargaining skills of Vermont's municipal leaders and labor representatives. Until recently Vermont, with its long tradition of Yankee "make do" and "work ethic," was not prone to collective bargaining disputes. The past decade has, however, seen an increasing number of these problems. Professionals on both sides of the fence lack the skills of their more sophisticated urban counterparts. Often it is these collective bargaining skills which prevent crippling strikes and economically devastating walkouts. This Conference aims at educating public and private officials in these skills.

Vermont Institute of Community Involvement.—Community Education Resource Project. Well into its second year of operation, CERP is doing groundbreaking work identifying the continuing education needs of the rural disadvantaged; examining the nature of the hurtles to their active participation; and implementing innovative methods of delivery for educational offerings tailored to meet the particular needs of rural citizens.

These projects are representative of our community service and continuing education programs which serve both Vermont's rural and town dwelling citizens.

ESSENTIAL ELEMENTS FOR TITLE I

What are the essential elements for a Title I program which will continue to serve the needs of a small rural state like Vermont? There are five key elements which cannot be sacrificed.

(1) The base allotment for the states must continue to be sufficiently large (a) to maintain interest among the state's institutions of higher education, and (b) have an impact upon the state. I recommend a base allocation of $125,000.00.

(2) Each state must continue to be the prime determiner of its own community service and continuing education priorities. Only at this level can Title I insure responsiveness to the grassroots needs of each state and selection of institutions most appropriate to meet those needs. A feel for the state is accrued over a period of time and cannot be acquired long distance by one unfamiliar with the area, as I am certain our Representatives in Congress are well aware. I recommend retention of the 90% state based distribution.

(3) Each state must be left free to determine the appropriate mechanism for administration of Title I funds. It is more important that the program's advisory council be broadly representative of the group served than that the *state agency* be so composed. I recommend that the responsibility for determining the appropriate state agency be left to each state, as it is at present.

(4) Sufficient funds to develop and implement the statewide plan of this program must be made available by the federal government. Without the assurance of funds to determine unmet needs and to plan for a more coordinated delivery system, the strength of the entire program is jeopardized. I recommend that of each state's allotment, 10%, or $40,000.00, whichever is greater, be authorized for this purpose.

(5) Provisions for both community service *and* continuing education; planning *and* program delivery must be included in the legislation. These concepts are intimately linked to one another and each state must be able to wed them in a fashion that will maximize their impact. To fracture the delivery system by centralizing one aspect of the grant award process, to sacrifice one component in order to strengthen another is to lose the flexibility and local responsiveness which has been the hallmark of Title I. I recommend that these functions remain as they are in the present legislation.

In summary, the strength of Title I lies in its state centered disbursement of grant awards, in its flexibility in meeting changing community service and continuing education needs, and in its welding of the planning and the implementation functions.

Thank you.

	Education, expansion, learning opportunities, human resource development, priorities A–A4	Environmental/energy, priorities B and B1	Health care, priority C	Resource sharing, priority D	Career development, priority E	Needs assessment, priority F	Industry/labor, priority G	Total title I awards
1973	Windham College: Human Pesource Conservation and Development, $15,000.	Bennington College: Community Environmental Study Program, $21,000.	U.V.M.: Community Block Health, $11,416.	Castleton College: Public Management Impact Center, $10,000.				
		U.V.M.: Environmental teacher Education Program, $15,300.	Goddard College: Pilot Rural Health Center, $14,500.	U.V.M.: Curriculum Library and Resource Center, $15,768.				
Total	$15, 000	$36, 300	$25, 916	$25, 768				$102, 984. 00
1974	S.I.T.: Foxfire Vermont, $16,815.	Marlboro College: Environmental, Social, Economic and Political Change and Land Use Patterns in Rural Vermont: Investigation and Community Action (B1), $20,950.	Goddard College: Rural Health Care Implementation, $23,697.	Castleton College: Phase II, Public Management Impact Center, $11,344.				
	U.V.M.: Teaching Affective Domin, $11, 942.							
	Green Mount College: Teaching Reading, $3,236.							
	Lyndon State College: C.E. Leisure Service to Youto (A1), $4,810.							
	Trinity College: Group Homes for Disadvantaged Youth (A1), $6,776.							
	(A) $31,993 (A1) $11,588	(B) 0 (B1) $20,950	$23, 697	$11, 344				
Total	$43, 579							99, 570. 00

1975	C.C.V.: Community Postsecondary Team, $18,000.	C.C.V.: Land Use and Community Development, $9,000.	Champlain College: Community Education, Access Center, $28,000.	Castleton College: Career Development Outreach, $8,300.	
	Windham College: Adult Counseling for Minorities—Especially Women (A4), $8,300.	V.I.C.I.: Government, Planning for Food Production and Distribution (B1), $14,499.44.	U.V.M.: Vermont Inter-college/University Telecommunications Network, $3,000.		
		Norwich University: Government Planning for a Healthy Environment and Economy (B1), $8,300.			
	(A) $18,000	(B) $9,000.00	$31,000	$8,300	
	(A4) $8,300	(B1) 22,799.44			97,399.44
Total	$26,300	$31,799.44			
1976	U.V.M.: Development, of Individual and Community Resources, $20,603.	C.C.V.: Self-Reliance in Northern Vermont, $17,368.36.			
	C.C.V.: A CEEED for Change, $12,000.	Norwich University: Government Planning for Healthy Environment and Economy (B1), $9,313.			
	Trinity College: Elderhostel '76 (A3), $8,008.	V.I.C.I.: Agricultural Diversification and Land Use.			
	Johnson State College:, Watershed to Implement Senior Expertise (A3), $6,180.	Planning: Investigation and Community/Government Action (B1), $18,903,30. $18,903.30.			
	(A) $3,603	(B) $17,368.36			
	(A3) $14,188	(B1) $28,216.30			92,375.66
Total	$46,791	$45,584.66			

	Education, expansion, learning opportunities, human resource development, priorities A A4	Environmental/energy, priorities B and B1	Health care, priority C	Resource sharing, priority D	Career development, priority E	Needs assessment, priority F	Industry/labor, priority G	Total title I awards
1977	Woodbury Association: Community Leadership and the Law, $10,665.	U.V.M.: Consumer Education and Access Project, $28,452.				St. Joseph: Cooperative Human Resource Development Expanation of C.E. Needs, $4,000.	Lyndon State College: Tourist Industry Growth: An Alternative to Unemployment in the N.E. Kingdom, $17,997.	
	Johnson State: Watershed to Implement Senior Expertise (A3), $17,000.					Windham College: Determining C.E. Needs for Windham College, $12, 250.		
	U.V.M.: Women in the Vermont Labor Market (A4), $6,000.							
	(A) $10,665 (A3) $17,000 (A4) $6,000	$28, 452				$16, 250	$17, 997	
Total	$33,665							96, 364. 00
1978	V.I.C.I.: Community Education Resources Project (C.E.R.P.), $15,998.	U.V.M.: Role Playing to Educate Public about Land Use, $17,899.	St. Michael's College: Workshop for Personnel of Nursing and Community Care Homes, $5,006.	S.I.T.: Windham Postsecondary Education Project, $6,786.		Champlain College: Action Research Project Studying Career Needs, Women's Awareness; Pilot Program for Delivery of Services, $24,000.	U.V.M.: Management Development Instructions: Tourism and travel, $9,244.	
		U.V.M.: Economics, Energy, and the Housing Crisis, $16,117.	Trinity College: Normalization Approach for Community Care Providers, $6,827.					
Total	$15, 998	$34, 016	$11, 833	$6, 786		$24, 000	$9, 244	101, 877. 00

1979	V.I.C.I.: C.E.R.P., $11,827.	Lyndon State College Energy Information Center $20,000.		V.I.C.I.: Learning Resources Booklet II, $5,500.	S.I.T.: Community Service Organization Management Skill Survey and Training, $14,220.		St. Michael's College Collective Bargaining and Dispute Settlement, $2,146.	
	V.I.C.I.: Leadership in Innovative Teaching Project, $2,000.	Southern Vermont College: Citizen's Options Environmental Problem Solving, $17,165.					U.V.M.: Train the Trainer Hospitality Education, $13,142.	
Total	$13,827	$37,165.00		$5,500	$14,220		$15,288	86,000.00
Total	$195,160	$234,267.10	$61,446	$80,398	$22,520	$40,250	$42,529	676,570.00
(A1) Youth	$11,586	(B1) Government $71,965.74						
(A2) Minorities	0							
(A3) Elderly	31,188							
(A4) Women	14,300							

STATEMENT OF THEA FROLING, STATE ADMINISTRATOR FOR TITLE I FOR VERMONT

Ms. Froling. Mr. Chairman and members of the subcommittee, I am Thea Froling, the State administrator of title I for Vermont.

In my testimony before this committee today, I will address the following three questions: What are the goals and purposes of title I of the Higher Education Act? How do these goals relate to the community service and continuing education needs of a predominantly rural State such as Vermont? What elements are essential to title I?

To date there have been several proposals from many sources regarding the shape and form which title I should take when reauthorized. Although the specific language and emphasis has varied greatly, there appears to be a consensus on the importance of the title I act, the social goals which the legislation can help address, the legislative purposes of the act, and the basic delivery mechanism.

The social goals are: First, to provide equal postsecondary educational opportunity to all citizens, including equitable access and choice; and second, to improve the quality of community life.

The three legislative purposes are: To provide continuing education to adults who are not currently served by educational offerings in their communities; to develop educational offerings to improve adults' capacity to deal with community problems and issues; and to strengthen and expand the postsecondary educational provider system through research, experimentation, staff development, planning, and resource sharing.

The delivery mechanism is: a partnership of Federal and State agencies working together to respond to the educational community service and continuing education needs of communities across the United States.

Relationship of goals and purposes to Vermont. Vermont is a predominantly rural State, as you may have noted by now. [Laughter.]

Just as the bulk of her population resides in rural communities of less than 2,500 residents, so do her community problems and educational needs follow suit. This is not to say that her urban centers are trouble free. As these towns have grown they have spawned troubles usually associated with cities. Increasingly they have become prey to the ills of modern society.

Any attempt to serve the community service and continuing education needs of Vermonters must therefore maintain a dual focus, first upon the unique problems associated with serving a population of limited mobility spread thinly across a geographic area, and second upon the very different needs of those citizens living in towns.

This dual focus and necessary attention to rural citizens is not unique to Vermont. By U.S. Bureau of the Census "Census Rural" statistics, 53.9 million citizens, or 26.5 percent of the total U.S. population, lives in rural areas. Forty-five percent of those adults are considered by the Bureau of the Census to be educationally disadvantaged.

Since title I's inception, Vermont has successfully utilized its annual allocation to foster programs which show promise of serving the community service and continuing education needs of Vermonters.

Examples of exemplary projects. More than 53 projects have been funded in the last 7-years alone. A quick perusal of their titles reveals a plethora of exciting and important work. Although I have included a summative history of this work for your later examination, I will draw to your attention only a few examples at this time.

At the University of Vermont, a program for tourism and travel development. This project has just received its second year of funding. During the first year, its primary objective was to develop the professional human relations skills of the tourist industry employee, often a native rural Vermonter with no professional training and little prior expertise with out-of-staters.

The first year of the project's operation was so successful that the training sessions have become self-sustaining. The goal of the second year is to develop a more extensive program and to train additional trainers. The agency of development and commuity affairs has contributed $4,000 for the audio visual component of this project.

Saint Michael's College. Collective bargaining and dispute settlement in the 1980's. This conference aims to raise the collective bargaining skills of Vermont's municipal leaders and labor representatives. Until recently, Vermont, with its long tradition of Yankee "make do" and "work ethics," was not prone to collective bargaining disputes.

The past decade has, however, seen an increasing number of these problems. Professionals on both sides of the fence lack the skills of their more sophisticated urban counterparts. Often it is these collective bargaining skills which prevent crippling strikes and economically devastating walkouts.

This conference aims at educating public and private officials in these skills.

Vermont Institute of Community Involvement. Community education resource project. Well into its second year of operation, CERP is doing groundbreaking work identifying the contiuing education needs of the rural disadvantaged, examining the nature of the hurdles to their active participation, and implementing innovative methods of delivery for educational offerings tailored to meet the particular needs of rural citizens.

These projects are representative of our community service and continuing education programs which serve both Vermont's rural and town-dwelling citizens.

What are the essential elements for a title I program which will continue to serve the needs of a small rural State like Vermont? There are 5 key elements which cannot be sacrificed.

The base allotment for the States must continue to be sufficiently large to maintain interest among the State's institutions of higher education and to have an impact upon the State. I recommend a base allocation of $125,000.

Each State must continue to be the prime determiner of its own community service and continuing education priorities. Only at this level can title I insure responsiveness to the grassroots needs of each State and selection of institutions most appropriate to meet those needs.

A feel for the State is accrued over a period of time and cannot be acquired long distance by one unfamiliar with the area, as I am certain our representatives in Congress are well aware. I recommend retention of the 90-percent State-based distribution.

Each State must be left free to determine the appropriate mechanism for administration of title I funds. It is more important that the program's advisory council be broadly representative of the groups served, as Mr. Eurich pointed out, than that the State agency be so composed. I recommend that the responsibility for determining the appropriate State agency be left to each State, as it is at present.

Sufficient funds to develop and implement the statewide plan of this program must be made available by the Federal Government. Without the assurance of funds to determine unmet needs and to plan for a more coordinated delivery system, the strength of the entire program is jeopardized. I recommend that of each State's allotment, 10 percent of $40,000, whichever is greater, be authorized for this purpose.

Provisions for both community service and continuing education, planning and program delivery must be included in the legislation. These concepts are intimately linked to one another and each State must be able to wed them in a fashion that will maximize their impact.

To fracture the delivery system by centralizing one aspect of the grant award process, to sacrifice one component in order to strengthen another, is to lose the flexibility and local responsiveness which has been the hallmark of title I. I recommend that these functions remain as they are in the present legislation.

In summary, the strength of title I lies in its State-centered disbursement of grant awards, in its flexibility in meeting changing community service and continuing education needs, and in its welding of the planning and the implementation functions.

Thank you.

I will be available for questioning.

Mr. FORD. Thank you.

In reverse order of the discussion, Mr. Tauke's bill, which is based upon recommendations of the Association of Community and Junior Colleges, as I understand it, raises the question that has been addressed by the last two speakers in particular with respect to the components of statewide planning provisions of section 1202 and 1203.

Max Smallwood quite accurately describes the circumstances under which those provisions came into the law. One inaccuracy was that it was not at midnight. It was probably closer to 3 o'clock in the morning.

And it was a result of the limits suggested here with respect to Mr. Tauke's bill. We had before that conference diverse approaches coming from the House and Senate bills, with multifaceted suggestions about more statewide planning.

When you look at the larger States, with literally hundreds of institutions of postsecondary education within one State jurisdiction, and realize over the years the difficulty of rationalizing programs for different kinds of target populations with different kinds of institutional targets within those larger States, you would see the concern that this committee over the years has had in trying to respond to the apparent anomalies that develop because one type of statewide agency dominates the other statewide agencies and has a bias toward or against certain types of institutions and contributes to the continuing division rather than the coordination and cooperation.

So this was a middle-of-the-night attempt to bring together the ideas that several people had on how to entice these States into a practice of sort of clearing their planning for higher education with everyone involved, so that, for example, a State that was not particularly hospitable to either small institutions or private institutions would have some sort of a mandated direction to take them and their opinions into consideration when planning the use of Federal resources for postsecondary education generally in the State.

Now, the use of the 1202 Commission, as was indicated by Mr. Smallwood, is very irregular. I believe Wisconsin is still trying to decide whether the 1202 should——

Mr. SMALLWOOD. Yes, Wisconsin and North Carolina don't have 1202. I think you are going to hold a hearing in Wisconsin.

Mr. FORD. Wisconsin has a big controversy over whether the 1202 Commission should be created by modifying their State higher education authority or whether it should be a separate 1202 Commission, and they apparently have no possibility of resolving that difference of opinion. So they are not likely to have a 1202 Commission.

There are some 23 States, in fact, that because their statewide agency already had the characteristics contemplated in 1202 and 1203, designate an already existing State agency as a 1202 Commission. Some 22, on the other hand, have 1202 Commissions which are totally independent and separate from whatever State agency there may be for statewide planning and coordination.

You put your finger on the problem, and criticism of any particular response to that problem, as I will indicate here today, is certainly invaluable. We would solicit your wisdom in trying to reach the goal of finding a way, with 50 States plus Puerto Rico, Virgin Islands, and Guam, and the trust territories, to develop a set of directions that will encourage these very diverse kinds of jurisdictions to get their act together, if I can use the vernacular, and more efficiently utilize our Federal resources. It seems relatively easy to identify commonsense solutions to problems of the population in the size of Vermont. It makes absolutely no sense when you try to see what they are doing in California, for example, although very little of what they do in California makes sense to us anyway. [Laughter.]

The final thing I would observe is the delicate balance that has to be maintained and the continuing deep concern that we not interfere with the individual traditions of the States and their specific structures of higher education by imposing upon something which flies in the face of their tradition.

I come from a State where the idea of a central administration or plan for higher education has been rejected over and over again and is very bitterly opposed by private as well as public institutions. We are so independent between institutions that is is sometimes difficult to move in the same State. But by the same token, we recognize when we look at it from the standpoint of the scarce Federal dollars that that is not a very efficient way to continue doing business.

Further, statewide planning and coordination presents the danger of a statewide policy which is hostile to types of institutions. There are States where public institutions do not live as harmonious neighbors with private institutions and where political traditions are such that private institutions are constantly under fire. They are almost paranoid about anything that throws them into statewide planning, that would force them to deal with Federal programs through the State agencies.

They view statewide planning and coordination as another way of saying you have to go to the State governmental agency to clear your activities. The Federal programs have grown up, on the other hand, in a way which permits the Office of Education to deal directly with institutions without regard to the niceties of whether that institution is church-related, private proprietary, private nonprofit, or whatever its form of government is.

But when you contrast California as a rapidly growing, expanding educational community against the other large State on the east coast, New York, you can see that they both have to do very substantial planning and coordination on a statewide basis but they have really different motives driving them toward the need for that kind of planning, one planning for sort of retooling and gearing down, and one planning for the continued expansion which seems never to end. And in between, we have all of these other diverse areas.

What Mr. Ratchford's bill and Mr. Tauke's bill, as I see it, are trying to do are respond to this continuing concern with a mechanism that will prevent us from continuing to require statewide planning and coordination piece by piece with different programs and get one central kind of planning involved.

The people who are getting the big bucks in the State in a program that has a footnote that says there will be some statewide planning and coordination in this program are not going to very readily go over to the very small staff of the 1202 Commission and say why don't you do the planning and coordination for us.

The people with the most money and the larger programs tend to conceive planning and coordination on the basis of how it fits the Commission with that program.

That is a pretty valuable vacuum, if you will, in the law because it permits all of these very diverse kinds of institutions to coexist and prevents, accidentally or intentionally, the big ones from gobbling up the little ones.

We would really be interested in any follow-up you have in terms of how we can accommodate the concerns for the large, very complex package of institutions in the large States without doing damage to what it is we perceive to be reasonable and rational statewide planning for the State and other small States.

I must say to you that my colleague, Mr. Jeffords, has taught us since he has been on the committee about small and rural, over and over again. [Laughter.]

In fact, he has called our attention to the problems, when we get to concentrating on the large States that make the most noise, that exist here in Vermont in the elementary and secondary education act. As a matter of fact, there are specific provisions, one of which applies to Vermont and, I think, Alabama and a couple of other small States and some that apply in Eastern States. But he has been very, very adept at making sure that we keep in mind the special needs of a small State, and I am sure that he will continue to do that as we consider all of the proposals that have been made for reauthorization.

The reason that Mr. Tauke's bill is a separate proposal here is that our friends at the American Association of Community and Junior Colleges sort of dropped this on us after everyone else had made their recommendations, and they came in with the recommendation late.

This makes it possible to be sure that that recommendation will be considered along with the recommendations of some 60 other organizations with respect to the future of the present law.

It should be noted that the present provisions of Section 1203 refer to the purpose of the 1202 commission in this way. The Commissioner is authorized to make grants to any State commission established—it is a 1202 commission they are referring to—"namely, to expand the socpe and planning required in title X through comprehensive inventories and studies with respect to all public and private postsecondary educational resources in the State, including planning necessary for such resources to be better coordinated, improved, expanded or altered so that all persons within the State who desire and benefit from postsecondary education may have an opportunity to do so."

When you read that language up here in Vermont, it does not seem to make a heck of a lot of sense. But if you read it in New York City, it does make a lot of sense because no one really knows in our larger States what the inventory of educational opportunities are. If professionals don't really know from time to time, it is very likely the student population we are trying to reach is not going to know, and this is a weak but valiant effort to reach that problem.

We should, I think, take note of what you have said here this morning about tightening up this language so that we are not imposing a useless and wasteful requirement on a State the size of Vermont as any kind of a condition precedent to participating in the program.

Now, the administration's proposals include some consolidations, and they are apparently agreeing with the idea that we have too many requirements for statewide planning in too many different places.

Mr. Fishell made note here, item No. 4, when he said "Special consideration should be given to the possibilities of the use of the educational media and newer forms of communication as opposed to more conventional methods of continuing education." That brings us to one of the administration's recommendations which, as a matter fact, is to go in exactly the opposite direction but becomes an appropriate consideration in talking about this whole business of statewide planning.

Under the guise of making it easier to view comprehensive planning, they would eliminate the probability and possibility of following that recommendation, which is in the law but ignored because we have not convinced any administration since it has been in the law to fund it. This administration at least had the nerve to come forward and try to kill it rather than just starve it to death. [Laughter.]

These various considerations in the bill, when we are dealing with part of the total package dealing with large amounts of money, become quite complex when you see how one relates to the other and try to anticipate where they are coming from when people make these nice suggestions.

I am willing to guess that the administration's proposal in this regard is not likely to be met with unquestioned happiness by the members of the committee, but that is typical of most of the recommendations of this administration. [Laughter.]

They are not doing it too well, as I can read it, up to this point.

Mr. Jeffords.

Mr. **Jeffords**. Thank you, Mr. Chairman.

I don't think I really need to emphasize some things that the panel said, and I have some questions. But I would like to again for the record emphasize that Vermont is, I think, 48th in adjusted per capita income and about 5th in the country in taxed effort. As a percentage of real income which goes toward taxes, I think we are one of the few, if not the only State, whose poverty index increased this year. So we have some real problems with our rural poor in the areas of severe need.

I was interested in the comments of the panel, and maybe we could solicit some more, on how we could try to rectify the problems of the rural poor and whether the biggest problems is in transportation. Is that one of the areas where we are going to have to focus attention in providing for needs? Is it entirely that or is it a dispersed population?

In other words, if you can go out and get the people, will they come? What do we know about the demand in the rural areas for adult education? How do we measure the demand? Do we have any way of measuring the demand? Do we know if the demand is there before we go out trying to seek funds to fulfill the demand? And how do we know whether the demand is there?

Ms. **Miller.** I will make an attempt to answer that. Although one often can do needs assessments by running around the streets and asking people whether they want to be educated or not, generally speaking that is not very effective because they don't know what you are asking them about.

What we find is when we go into a community and begin to offer courses and contact people and spend a lot of time counseling them, that it all goes over very well. In the last year, the community college has been able to offer courses in places like Island Pond and Scarlenhoffen—phonetic—and Enosburg Falls, and so forth. It would be very hard to prove the need was there unless you go there and provide the service, and that means you would need money.

Both of those offices we have had to close because of the reduction in our own budget from the State. I think it is crucial for people to see that it takes that startup money. You have to be able to go there and provide the service long enough so that the people have confidence in you, get to know you and believe that you will continue to be there and so forth.

There is no simple answer, except in this State by our own experience, we have found that the people will come to the right kind of education designed specifically for them in these remote towns and locations.

Mr. **Jeffords.** Thea?

Ms. **Froling.** I would like to add that another barrier in the past has been the approach of the traditional what we think of as continuing education that runs so many hours in the evening, so many weeks during the year. Particularly in a northern climate like this, that is often very difficult for these people. I think we have to begin to think of different methods, whether it is onsite, a combination of education and work-related experience, whether it is a mode of extended time such as a 2- or 3-day educational period that goes over several weeks or months, but a different mode of delivery. We have to be more innovative in how we are reaching these people.

Mr. EURICH. Myrna a moment ago referred to the word "counseling" in trying to get the people in remote areas to see the connection between what their needs are and what an educational institution might provide for them. I would like to underscore the skill that is required in that counseling and the time that is required. It is an extremely difficult process. It is not something that you can just go in without experience and handle. You must speak a totally different language from what we are accustomed to speaking in educational institutions.

People are interested in becoming better practitioners of their jobs. They want to serve their communities better. So they might know they need to speak better or they need to write better or to have better skills of one kind or another, but it doesn't dawn on them this is something they could learn in college or it could be college level or worth anything to anyone who is educated. It is an extremely difficult and time-consuming process.

Mr. JEFFORDS. What concerns me in this area is in attracting businesses to Vermont. Many of them are very sophisticated businesses. They seem to provide jobs not for Vermonters who needs the jobs in rural areas, but they attract other people who come in, litter our beautiful State, and take advantage of its quality of life.

But it seems to me we don't have the ability to train the people in the rural areas for the jobs that are becoming available, and I wonder if you feel that is a legitimate criticism.

Mr. KELLEY. Jim, I think we are really just beginning to recognize that need, and I understand this year for the first time, all of the various agencies of State government that provide adult vocational training sat down in one place at one time to work with an industry that wanted to relocate in the State, in terms of identifying the vocational training needs and the types of delivery systems for training.

I think that was a major move forward. I think that in our rural setting, and in part addressing itself to what you are saying, I looked at some of the job skill lists for various apprenticeable trades, and they are very nicely outlined the competencies for each one of these trades. But as I looked at them, very few of them really required the sophistication of a laboratory such as might be found in an area vocational center, a technical institute or what have you.

At least looking at the educational development levels of many of our Vermonters, and some of the inhibitions which you mention as to their being able to receive training, it seemed to me that much of the training could occur in settings other than institutional settings.

I think one of the things we have got to really look at is outreach and bringing programs to our people and then reserving the highly sophisticated laboratories when needed at the appropriate point in the training program. I think that in part our problems will revolve around delivery systems for services, and in part around bringing people to where the more sophisticated types of programs are going to be located, be they in area vocation centers.

I think we are increasingly recognizing that it is not reasonable for our area vocational centers to equip themselves with very sophisticated kinds of equipment that modern industry requires, so that we may be doing the training in the industiral site increasingly.

So I think it is a matter of trying to look at needs, both individual, corporate, and societal, and getting the right mix for the right people.

I think all of these are a part of the problem. Transportation. Where the training is located, et cetera.

We have three studies that have gone on in this State, and they provide a good data base as to the accessibility and as to the aspiration of our citizens for postsecondary education. Aspirational levels are high. There are some very serious limitations on accessibility for many of our people.

Mr. **Ford**. Will the gentleman yield?

Mr. **Jeffords**. Certainly.

Mr. **Ford**. When you look at the appropriations for this year, $100 million for adult education, and then we have a component in vocational education called adult vocational education, and then we have the Comprehensive Employment and Training Act, which has a tremendous amount of money compared to all of our educational programs put together, Congress seems more willing to fund those programs because they all aim, in the case of adult education, at primarily basic skills.

We are on a kick in this country where the "Why can't Johnny read syndrome" has everyone running around saying we haven't done enough to establish basic literacy. So that is the direction those programs tend to take. The other programs are popular because they are, in fact, job related and identified with turning tax uses back to taxpayers.

But when Senator Mondale was selling the idea of late learning in the setting and under the aegis of higher education, institutions of higher education, he was talking about a much broader and less identifiable kind of concept, which he, as I recall, described as lifetime enrichment. In fact, he conceded the importance of giving someone an additional skill or an improvement in skill for employment as being no more desirable an achievement than allowing someone to study in a formal way art or music for the first time in their life, or to become acquainted with the classics for the first time after spending a lifetime of curiosity about what that would be.

I am wondering if what is being described here has anything to do with competition between the two approaches. I keep hearing the concept of continuing education. We hear it related to the description we give for adult education, while at the same time I have just heard from the community college the statement that it was wrong or erroneous to assume that the traditional adult education approach was what was needed.

To what extent is your ability to respond to the need that Congressman Jeffords asked about affected by the greater visibility and longer acceptance of the traditional concepts of adult education and vocational adult education? In other words, to put it very bluntly, why should colleges be in this business of nontraditional adult education in the unstructured way you are describing if we have all of these other programs aimed at equipping people to work and function in communities?

Ms. **Miller**. The community college has learned, as many of us have in adult education, that essentially you cannot confuse giving people skills with really preparing them to live productive lives; that training often goes on, but what people miss are the essential conceptualizing abilities, problem solving abilities, higher levels of being able to sort out fact from fiction, being able to have a critical sense, being able to compare and contrast.

All of that sounds very simple, but research shows that often the minor skills can be learned on the job; but when people get to the jobs, they can't hold them because they often do not carry skills which are so essential to jobs that go way beyond these minor skills. Therefore, the community college was set up to think about how to take in an adult with low aspirations and teach him to be able to think of himself in new ways, set new goals, and be able to do more than just get skills.

What we have discovered, then, and I think it has already been mentioned, is if one takes the regular daytime program and shoves it into the evening, do you know that the people who attend those programs already usually have degrees? The people with education seek more education. That is usually the meaning of continuing education.

If we are now talking about reaching an adult who has not before received education, we are a 2-year institution and therefore we take people in. We have had 550 graduates from the community college, many who would never have dreamed of college before, through very new and different approaches.

What I am suggesting is that it takes this approach to get someone out of being a tax user to being a taxpayer, and it is precisely the role of education to be able to do more for someone that give them facts, either on a training level or on Shakespeare. We have to begin to see education as teaching people how to think, reason, and be able to have power over their own lives if we are going to succeed with that.

I think that it may be that those of us in nontraditional education having success with adults are beginning to feel very slighted and the progress we have made is now often being misunderstood. I hope that doesn't sound like a lot of educational rhetoric, but had you met some of our graduates, I think you would have seen the difference in the people.

Mr. FORD. I don't think it is a lot of educational rhetoric at all. I agree with everything you have said, and I wish I could have you say that in front of the Appropriations Committee. I can perceive our difficulty in funding this program through institutions of higher education being that that committee understands, at least it feels comfortable with, traditional atttiudes about what you do for adults in education.

The elementary and secondary segment has been way ahead of higher education in recognizing this and in moving in. We have been dealing in substantial dollars with the phenomenon of the adult needing further education through the elementary and secondary system for quite a while, and it is only very recently that people at the higher education level have begun to realize what you have all touched on here, that the 18- to 22-year old is not their consumer of the future.

There is a real need for people like yourselves to assist us in educating our colleagues in Congress along the lines of acceptance for the concepts being described here as something that is needed in addition to, not just more of the same old thing, but in addition to because it is conceptually different.

Could I ask one question about the community college? In your statement you said that your average graduate is 41-years old. Is that correct?

Ms. Miller. That is right.

Mr. Ford. The figures we had for last year were that the average age of the community college student was 30, and the average age of the female community college student—these are national figures—was 35. But the thing that surprised me about those figures was that the community college people report to us that they still have 50 percent of their students who are pursuing a baccalaureate degree in one way or another.

Now, what percentage of your students are actually pursuing credit courses, toward ultimately receiving baccalaureate degrees?

Ms. Mills. Are you asking how many people are enrolled at the community college working on baccalaureates as opposed to associates? I am not sure I understand the question, sir.

Mr. Ford. Well, either an associate's degree or as in preparation for further education as a baccalaureate, as against people who are taking courses because they want to improve art appreciation or writing skills or something like that. How many of them are there because they are interested in achieving or acquiring college credits as distinguished from a particular personal goal?

Ms. Miller. Probably about one-half of our students are pursuing single courses here and there in the way you have suggested. The other half are probably in the degree program. Our degree program is so separate that it is easier for us to see the difference. And often when we talk about our graduates, the people who have stayed with us to obtain a degree, we will find significant difference in the population and the population that comes to take a course from time to time to do any kind of lifelong improvement.

One of the biggest and most significant statistical differences is the average time they have lived in Vermont. Our degree students' average stay in Vermont has been over 22 years, which means they are really by and large native Vermonters. The people who drop in and take a course from us from time to time's average stay in Vermont has been only 4 years.

So we do have two distinct populations, people who have degrees who come back and are working toward bachelor's degree. But those who want to get an associate degree in Vermont are usually poor, with more problems, and are seeking a degree really to make progress in their lives, many of them, as opposed to this other segment.

I think that all community colleges find themselves with dual populations.

Mr. Jeffords. I would like to address the problem of statewide planning. The Education Commission of the States bill is an attempt I have put in to try to solve some of the problems of the smaller States, and address the questions of what kind of Federal intervention is appropriate, needed, or desired in assisting States in statewide planning.

I would appreciate your comments and the panel's comments on at what point, if the Federal intervention becomes such a burden, that it really becomes wiser not to get the Federal Government involved for purposes of planning, versus assistance and cooperation in attempting to work out a good relationship, and whether the approach of the Commission of the States, in allowing for what might well be 50 different plans, is the right approach to go.

Mr. **Smallwood.** Let me try to respond. I appreciate the dilemma here, and I recognize the difficulty here and appreciate Congressman Ford's remarks. The dilemma is California and Vermont within this diverse system.

One thing I would like to do is take your draft bill, Jim, to our only 1202 commission, which they haven't seen yet—you just submitted it August 1—and get you feedback on it. I think that might be helpful to you, and it certainly would be helpful to us.

But as a general reaction to the question of State planning, I think I would just say three things: No. 1, I think it reasonable for the Federal Government, when they are providing funds to the States, to require a reasonable planning effort.

Now, this word "reasonable," the rule of reason, the great law. It is one thing, for instance, to set up a planning commission which shall be broadly and equitably represented, which is the language used in one section, and something else to say the commission shall include consumers, labor, education, State and local government, students, potential students, disgruntled students. [Laughter.]

I mean the degree of specificity here, I think, has to be reasonable and there has to be some discretion left to the States depending upon the various characteristics as to how they interpret this.

Now, your second choice, I think, then, is a very fundamental one, and I share the dilemma with you on this. I have no objection to Thea Froling's testimony. At the present time, the 1202 commission in Vermont has adequate representation. We administer no programs.

In the case of title I, we look at the university with its citizens advisory board which is an affiliated board to administer that program, and we review it and keep track of it. But we certainly are not, speaking as an individual, anxious to take on new programmatic responsibilities under 1202.

However, if we are to be given these responsibilities, if they are to be mandated under Federal legislation, then I think it is essential that we strengthen the 1202 commissions.

All I am trying to say is, quite simply, that at the present time we are not bureaucratically staffed to do a massive amount of statewide planning. And if the Federal Government is going to mandate that we do this, we are going to need help along the lines you are suggesting here to get the job done.

We just do not have an agency of higher education in Vermont. We do not have a statewide bureaucracy, and we are going to need some help, some further Federal funding, if we are going to meet these kinds of requirements.

So, one, make the requirements reasonable. Two, I think in a State like Vermont, the decentralized concept makes sense. Quite frankly, I do not think 1202 should try to plan everything; but if you are going to make 1202 plan everything, give us some help. That is my message.

Mr. **Jeffords.** Thank you.

Mr. **Ford.** Mr. Tauke.

Mr. **Tauke.** First, I would like to observe that this has been a most worthwhile panel, one of the best that I have listened to during the time that I have been on this committee. Maybe it is because we don't have bells ringing, and we are not running for votes in between all of your testimony. [Laughter.]

I have dozens of questions I would like to ask, but I will try to boil them down to two or three. I might begin by saying I am not as unsympathetic as I may sound. Several members of the panel mentioned that somehow, 18-year-olds are different from those nontraditional students, that you have to have different methods of teaching them, you have to have different approaches. They have different needs and the traditional courses don't work.

And then there was also some emphasis on being certain that we had college level courses offered under title I programs. In view of the needs that these people have, do we really need college level courses? And if so, could you elaborate on what they might be and why they need to be different from those that would be offered to the 18- to 22-year-old student?

Ms. MILLER. I think that when you are teaching a 40-year-old, first of all, the teacher is not the authority, and that the 40-year-old does not believe that all truth resides in books. Therefore, there can be from the day the person walks in to whatever it be, the classroom, a difference. It requires a very different delivery. Part of it is mutual respect and a situation where both people are perceived as teachers and learners. That person on the payroll is the faculty and that person is also a student.

The adult also has to have independent studies done in different times in different ways, things that are more meaningful. I think most of the programs for 18- to 20-year-olds were designed that when the bells ring, they walk in and out. It is a way to handle masses of people who already live on campus. None of those things exist when you deal with an adult.

The adult does not want to be threatened. Often they don't need to be graded. They are perfectly capable of self-evaluation. And it has been proven that their evaluation is more effective and more accurate than the evaluation of another.

We know what we learn and what we don't learn after we gain some type of maturity. I am the one who suggested it should be college level. I am saying we cannot somehow say that this is just a little workshop and the learning that has gone on is less valuable. What we give away in this world is recognition for learning. You call it credit hours and degrees, and that has a currency outside in the world. It has a meaning.

We have to be very careful that just because we deliver something in a different manner, we do not say it is different and therefore it isn't the same, therefore it is not worthy of credits or degrees. It may be delivered differently but it certainly has to also bring to those adults all of that same symbol of creditability in the degree and so forth.

By college level, I also mean that we must approach all of that with just as much seriousness; that people not be funded to put on things that are not demanded to deliver as much to the adult; that somehow evening courses, because they go on at night, should not have the same quality to them. I think within institutions, that those institutional limitations are self-restrictions, but I think they should be encouraged to think of ways to build new learning into degree programs.

Mr. TAUKE. You are talking primarily now about differences in delivery rather than differences of the substance of the subject matter. Would you agree that the subject matter is basically the same for those in adult education or the nontraditional student, as we refer to them now, rather than the traditional student? Is that what the panel means when it talks about differences, or does it also include subject matter?

Ms. MILLER. It includes subject matter and it also includes something which is not content, that is actually cognitive skills, teaching people cognitive skills.

Mr. TAUKE. Speak a moment to the subject matter, if you will. How should the subject matter differ?

Ms. MILLER. The subject matter normally needs to be highly individualized, very student centered, what is meaningful and important in that student's particular circumstance.

Mr. TAUKE. Shouldn't that be true for the 18- to 20-year-old, also?

Mr. FISHELL. I was going to make that comment. We are assuming that the 18- to 22-year-old is getting something that isn't absolutely perfect. [Laughter.]

And there is a lot to be learned from the adult learner that can be carried back to that 18- to 22-year-old, also. So I think there are some real questions about making an assumption that one is better than the other if we get into this.

Mr. TAUKE. My conclusion has been in this whole process that the substance of the subject matter should be basically the same, but the delivery system is different. That is a conclusion I would like to hear you reach, too. Apparently you are differing on that.

Mr. EURICH. May I comment on this?

Mr. TAUKE. Yes, I would like that. You have had some experience in this matter.

Mr. EURICH. I must say that the colleague on my right is becoming quite adept at taking words out of my mouth. I feel I almost don't need to add anything. I would like to add one point to what Myrna said as far as delivery is concerned and then address your question more directly.

One important difference between teaching 18-year-olds and teaching 40-year-olds is that the 40-year-old learns faster by virtue of the fact that the things that are learned of a theoretical nature are normally put to us in practical life very quickly, like the following day, where we find that theory feeds practice and practice feeds theory. Theory is easier to learn because the person has had experience in practice. Conversely, the theory sticks to the bones more readily because it can be put into effect immediately. I think that is an important difference that must be added to what Myrna has already said.

As far as subject matter is concerned, I find in dealing with accreditation agencies that criteria for degree are never quite examined with quite the thoroughness I would like. There are certain assumptions made about what constitutes a bachelor of arts degree. Sometimes it is difficult, though, to engage people in conversation on why it is that those particular criteria should add up to a bachelor of arts degree.

If you try to get behind why science is regarded as an important part of an education program, why literature is regarded as such, why history, why psychology or anything, and get at the purpose that these various disciplines are supposed to accomplish, and then move over to your adult education sphere and try to discover ways in which those same purposes can be achieved with unusual subject matter, then you are in the adult education business.

For instance, you can teach psychology from a textbook with weekly assignments and so on, hoping that 10 years later an application will be found. A way that you might achieve the same kind of mental discipline with an adult student is to let that student start with the fact that she has just married into a family that is into voodoo and she doesn't know how to handle this, and you work with her day by day on making sense out of that.

A year later she will be doing what we might call conventional psychology, but there is no way except her own route that she can get there.

So, yes; I think the subject matter does have to be different. What has to be constant is the qualities of mind that all of our education programs are supposed to be accomplishing.

Mr. TAUKE. OK, thank you. Let me move on to my second question. And I think this would be a question that would be asked by opponents of title I generally. After listening to this panel this morning, it was pointed out, first of all, that much of title I seems to be centered on those institutions which are now just beginning to find their way into this whole process of adult education. I thought this was a most interesting point.

I am sure there would be those who would say that perhaps the community in adult education and in the sharing of resources we talked about this morning is really a means to save institutions rather than a way of serving the needs of people.

Certainly, when we look at what the needs of the State are, it appears as though the needs of this State in education and in housing, poverty, transportation, and other areas are much the same as the needs of many urban areas across the country, and those needs, it would seem to me, require kind of comprehensive solution.

Yet, when we start talking about comprehensive solutions to those statewide needs, there seems to be some resistance to statewide planning. I am not sure how you can have statewide solutions to these problems if you don't have statewide planning.

In other words, I think that we suggest that there is need. There are many, I think, who are concerned that the institutions are coming from the standpoint that we have got to do something to save ourselves rather than from the standpoint of how can we best serve the needs of the people.

The question that follows is: what, really, is the need of the people; and second, I suppose, in relation to that, can we meet that need, even in a State like Vermont or Iowa, without having some kind of integrated statewide planning process?

Ms. FROLING. May I address that?

Mr. TAUKE. Yes.

Ms. FROLING. I would like to make one point. I don't think that statewide planning and implementation or action programs are necessarily at odds. I think it is very important that we do statewide planning, and I think that it be done in a comprehensive and streamlined fashion is important for every State of every size.

I just would hate to see that happen at the expense of these experimental programs. So often, as someone pointed out, without seed money to start programs to experiment with new modes of delivery, with trying to reach a new group of citizens, trying a concept of networking that hasn't been done before, without that risk capital, if you will, so often the planning becomes an abstract, unceasing process.

I think they are intimately linked. I guess my concern, for instance, particularly with title I, is that with the allocations that have been suggested, that level in terms of Vermont, in particular, is sufficiently low that if the thrust were 30-percent planning, you would end up with so little money to try out the ideas that we may come up with that it will be self-defeating.

Mr. TAUKE. I don't think it should be 30 or 40 percent.

Mr. KELLEY. I don't really think we have all of the fighters in the ring yet in this State. I don't know about the other States, but we have yet to develop a system whereby all of the providers of adult education services have even gotten together to talk through and try to find out what the issues are and where the problems lie.

I do think through Federal legislation you can at least develop language which will do that. Here we are talking primarily about the institutions of higher education and their involvement, and it seems to be their involvement falls into three very critical areas.

We just mentioned the fact that the body of research about adult learning is very recent and very limited, and it seems to me that institutions of higher education have unique resources to move forward in this area of valid research devoted to adult learning.

Second, I think the institutions of higher education have a role to play in the training of adult educators, be they the teachers, be they the counselors, or what have you, and that that instruction should be based upon the newest available information from research.

Third, I think our institutions of higher education have to have a role to play in the delivery of services based upon using the people they have trained and the body of information they have developed about the uniqueness of our new adult learners. It is only through this kind of legislation that they have any resources at all to become involved.

I don't know whether that is responsive.

Mr. TAUKE. You are in a sense suggesting the Federal Government has a role to play with this legislation in offering it for more statewide coordination.

Mr. KELLEY. Yes.

Mr. CROCKETT. I would like to speak to your question, Congressman. I have just completed a series of interviews, conversations in some depth, with all the presidents of institutions of higher education in the State of Vermont during the last 3 months or so, focusing on issues relating to cooperation and competition among institutions in Vermont.

Several of these presidents suggested the possibility of utilizing title I money in this State in a fully cooperative way to address a high priority issue in the State, a high priority problem, taking the entire title I funding for the State and, at least for 1 year, seeing what we could do with it as a total community addressing one very important problem such as energy or the environment or what have you.

I think that there is a great deal of openness in this State to cooperative statewide planning. I would not want to claim that we have accomplished it, largely, though I think not by reasons of attitude which may be a barrier to cooperation in many States, but really by virtue of the lack of staff and resources to do the basic groundwork that needs to be done, the data collection and so forth, for statewide planning.

I would like to turn the question back to you and ask to what extent does the way in which the Federal Government funds programs across the board, not just in education but in many areas, really create fiefdoms which make really coordinated statewide planning very difficult.

Our congressman mentioned earlier the need for some coordination between the recruitment of new industry into Vermont and the training of people to work in those industries, and that is obviously a very desirable thing. If you invite an industry into the State, it would be very desirable to have people here who could be trained or who are trained to man that industry.

That really requires some cooperation and coordination between the development agency in the State which is out recruiting industries into the State and the higher education community, which has existing and potential resources to train. But that coordination just does not exist. We are making some efforts to build bridges, and I think most of those efforts have come from the side of the Council of Higher Education, not from the development agency.

But I wonder if one of the reasons for that is that there really is no incentive in the way in which the Federal Government supports development of a State's economy. There is no incentive there for them to reach out to the higher education community to sit down in advance and say let's recruit the industries which higher education in this State can train people for to give higher education in the communities a lead time to develop those programs with an assurance that there will be people there to participate in those programs.

There really is not much incentive in the way dollars are handed out to accomplish that kind of statewide coordination; yet, it is obviously a very desirable thing, bridging two almost hermetically sealed areas, economic development and long-ranging planning of the State and the higher education.

Mr. TAUKE. Thank you. Again, I thank the members of the panel for their very fine presentations.

Mr. FORD. Thank you. It is obvious that we could go on for some time. This panel has been very helpful. As the staff director just observed, it has been interesting, as we focus on title I as a part of a package of well over $5 billion with only $10 million in it, that it turns out each time we start a discussion to be one of the most complex little pieces.

There is a possible strategy for rationalizing this, but I would like to direct to Mr. Kelley and Mr. Eurich a request. We are intruding on the time of the next panel, so I won't ask for the response now. But if you look at page 2 of Mr. Kelley's statement, he says, "The answer to this problem is not to reserve a greater proportion of the appropriation at the Federal level." And then you go on to the next paragraph, "If the level of funding increases and some to the State relatively unencumbered by regulation, Vermont can develop plans to meet its unique problems."

Mr. Eurich, on the other hand, says, "My own answer to this is that projects which are truly innovative, projects concerned with doing rather than planning, projects that refine a process rather than getting one going off to a bumbling start stand a better chance of being funded if the Office of Education is making the grants."

Those two approaches seem to be diametrically opposed, and I would ask the two gentlemen who advocate them to consult with each other and submit for the record their rationale. [Laughter.]

How can we accommodate both of you a the same time?

Thank you very much.

We will now ask the second panel for today to come forward. We must move along rather quickly.

Marcia Vance, the Vermont Institute of Community Involvement; Ron Iverson, Vermont Student Assistance Corp.; Ted Franzeim, financial aid officer of Norwich University, Northfield, Vt.; Mike Robbins, from Killington, Vt.

Mr. Ford. I must apologize to this panel for the fact that we indulged ourselves this morning according to the time we had available. This panel we would ask to attempt to summarize their statements if they could before we asked questions, to about 5 minutes each, with the hopeful objective of giving everyone an opportunity to be heard and to respond.

We have been asked to change the panel order and lead off with Mr. Mike Robbins, a student.

STATEMENT OF MIKE ROBBINS, STUDENT, KILLINGTON, VT.

Mr. Robbins. I would like to thank you gentlemen for inviting me to speak today. I am here as a student who has participated in, I believe, all the financial aid programs over this past 5 years. I am somewhat a nontraditional student in that I did not begin my college education until I was 24. I am now 29.

Since I was 24, I have attended the University of Vermont, where I graduated with a B.A. degree, and in the summer of 1976 I attended Georgtown University on a private scholarship. I spent my junior year at the London School of Economics. I am currently a graduate student at Harvard Graduate School of Business Administration.

Over the years I have participated in the following financial aid programs: Supplemental educational opportunity grants, basic educational opportunity grants, grants from the University of Vermont, State grants from the Vermont Student Assistance Corp., work study program, Vermont guaranteed loans, federally insured guaranteed loans, national direct student loans, personal loans from banks, private scholarships from foundations, corporate scholarships, and employment. [Laughter.]

I don't think I missed anything. If I did, I wasn't eligible. The total expenditure over the past 5 years and budgeted for the upcoming year for me is $45,488. I would point out that the Federal Government provided less than $5,000 to this, and the State of Vermont less than $3,000; $14,000 comes from employment in the private sector, just about $2,000 from participation in the Federal work-study program. I have borrowed $18,000 that is guaranteed by government institutions, and $4,000 in personal loans.

There are a couple of problems that I have encountered in the system, and I am not going to try to recommend to you how to change the system but simply bring to your attention the problems that I faced. I will leave it to you to devise, if possible, a solution.

I think the single biggest problem that the typical student faces who is an independent student, totally self-supporting, is the fact that you are going to encounter cash flow problems that are going to make it somewhat impossible to pay your bills on time. There is the annual problem of receiving your refund, as it is called at the University of Vermont; that is, the excess of your aid above the bills owed the university.

Because it takes some time for the paper to work its way through, checks to be written and accounts to be balanced, you probably will not receive the money until October. In some cases I didn't receive it until December. The school year begins in September. That is when your landlord wants his deposit on your apartment, as well as your first month's rent. That is when you buy your books, that is when you buy your meal plans. That is when you need the money.

I was very fortunate, and I think this makes me very atypical, in that because of my career prior to entering college I had a Bank Americard and a Master Charge card. [Laughter.]

I don't think very many students qualify for financial aid and have a legacy of credit rating or available credit. So in my case the cash flow problems were somewhat alleviating. Two years during September I had friends evicted from their apartments because they didn't have a Bank Americard to come live with me while they waited for their funds.

It is a common problem and one which could be avoided through planning by the student, but it is a problem not always avoided. This exacerbates other problems.

For example, if your paperwork is not being processed in September, you are not eligible for food stamps—that is one of the programs I think I left off my list—until it is processed. The food stamp program will not work retroactively, so if your papers are not processed until mid-October, your eligibility does not begin until mid-October and you have missed money you were otherwise eligible for under the food stamp program.

These cash flow problems are very significant, and in my opinion, it would seem that they ought to be unnecessary in that if you are eligible for the money and the need begins September 1, it would seem that in some fashion it ought to be in the student's hand at that point.

I would point out that the self-supporting student faces this problem more than other students because it is usually the self-supporting or independent student who does qualify for aid in excess of tuition and fees owed the university. The university will defer those charges until it receives some money from the aid programs.

The second problem that has been a significant one for me—and I would point out when I go into this problem that different students have different goals. Some students want to get an education for its

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own sake and are not career oriented and are not viewing it as an investment. Their ideals for the system would be somewhat different than mine, and I cannot represent those ideals. I can only represent my individual case.

I think if you heard from 50 different independent students, you would hear 50 different stories and you would see 50 different people with different needs and desires. But I was very frustrated by the fact that the aid programs available are somewhat biased against a student seeking a high quality education.

The budgets are set, quite typically, by schools based upon other motivation than what the actual cost is at that school. A school having trouble attracting students will set its budgets low so that they can be met with financial aid money so that another student can be brought in, because that is money in the till by an increased enrollment.

A private school, on the other hand, if a high rate of applications per available seats would more likely represent its budget in the true light of the costs associated with that school. The Federal limits on BEOG and SEOG grants are set in absolute grants, which means a student attending a less expensive university could probably meet his need, where a student applying to more expensive school would hit that limit before he met his need.

In that case, I am led to believe that some schools simply do not admit that student. They know his need cannot be met. And in some cases I think the admissions and first year financial aid are combined to avoid the frustration of telling the student he is academically capable of attending the school but financially not capable.

I think that is a serious bias in the system and I think those ceilings should be changed and put at a percentage of need rather than in an absolute amount. Some students attend tuition-free schools and are still eligible for $1,800 which can go to meet other needs. For other students, the tuition alone exceeds the $1,800 limit. I think that limit itself may be changed recently, but it is not absolute amount.

Another thing that was a frustration to me was the loss of incentive funds in private institutions. Those were immediately converted to funds available to meet my need, so the merit aspect of a scholarship won outside was lost because my financial aid eligibility inside the institution was immediately reduced by the amount of money that I won or received outside.

There is one benefit to this in that usually it was the loan portion that went first. So I could reduce my overall debt, but still the absolute amount of money available for my educational needs was not increased by the fact that I had won a scholarship.

There are a lot of hidden costs in going to school, such as application fees. That may have been changed, but in the past it even cost money to apply for a Federal BEOG grant. Nowhere in my budgets over the years could I see anyone budget for fees in the cost of applying to get financial aid. Other hidden costs are insurance costs in loans. You are eligible for a $5,000 loan but you won't realize that much money; $50 or so will never be paid to you and will go back to the bank to pay for insurance coverage.

What this mean is that a school like the University of Vermont which budgets $255 per month for living costs, you will actually realize somewhat less than that and you will probably find that that is not enough money to meet your needs because the University of Vermont is trying to set its budget at a level which can be met rather than setting its budget at what the actual costs are.

I would urge you gentlemen, in conclusion, to view financial aid to students, especially independent students and self-supporting students, as a social investment and not a social cost. In return for the $4,000 that the Federal Government has invested in me and the $3,000 the State of Vermont has invested in me and other students like myself, they will net higher income taxes, at least statistically across the population as a whole.

Earnings will be higher. Growth economists focus on an economy's research and development sector as a source of growth, and the future economic growth of America depends upon the quality of the people who participate in our research and development and management in the future. And many of those people will come out of the quality institutions if they ever have access to them.

I will. I hope to bring to the economy more productive potential in my lifetime as a result of my education. I will probably educate my children myself at my own expense as a result of having the State support me. When they go to school, I will probably not spend as much time on unemployment and other Government programs as I otherwise would have. I will also be better able to participate in the self-governance of this country.

I think those are social benefits that outweigh the $4,000 expenditure by the Federal Government in sending me to school.

I have heard a lot of talk this morning about supporting the institutions of higher education. I would like to, in balance to that, point out that if you give the money to the student and you support the student, he can then make his own needs and demands known in the system and he can guide those institutions in providing for his needs if he has the financial resources to manifest his demand and need for those.

So creating institutions is one thing. Supporting the institutions is one thing. But you also have to support the student so that he has the freedom and the access to those institutions. And I would urge you above all to look at financial aid as an investment by society in society, and not as a social cost of doing business or maintaining a society.

I would like to thank you very much for having me here today and giving me the opportunity to discuss with you my experiences over the past 5 years. Thank you very much.

Mr. JEFFORDS. Thank you, Mike.

Ed Franzeim.

[Prepared statement of Edward Franzeim follows:]

PREPARED STATEMENT OF EDWARD P. FRANZEIM, JR., DIRECTOR OF FINANCIAL AID, NORWICH UNIVERSITY, NORTHFIELD, VT.

Mr. Chairman and Members of the Subcommittee: I am Edward Franzeim, Director of Financial Aid at Norwich University, an independent college of over nineteen hundred students.

During the past year I served on the National Association of Student Financial Aid Administrators Committee on the Self-Supporting and Non-traditional Student.

It is indeed a pleasure to appear before you today to discuss my perspectives on the self supporting student, particularly as they relate to the Title IV programs.

Specific reauthorization issues that I believe should be addressed as they pertain to the self-supporting student are:

One. Changes in the calculation of the BEOG cost of education to more realistically reflect the living costs for students who are not living on campus.

Two. A methodology to determine the family contribution and establish need that is both equitable and realistic, that is consistent with the dependent model. The model should contain a family size offset, tax a portion of discretionary income and assess a more reasonable contribution from family assets.

Three. The question of expanding eligibility to students who are enrolled less than half-time.

Currently the maximum educational expense allowance for room and board for students not residing in campus housing is $1100 per year or $122 per month for a typical 9-month academic year.

This allowance has not been increased during the past 5 years despite rapidly escalating living costs. Students residing on campus are not affected as colleges are permitted to use the actual room and board charges in calculating educational costs to determine basic grant awards. The self-supporting student, as a group, is unduly penalized, as they are the students who are most likely to be living off campus.

I believe the members of the committee will agree that the allowance for room and board for students living off campus is ludicrous when compared to today's living costs and should be updated to a realistic level. I also recommend that this allowance be reviewed annually and updated, when needed, to reflect increases in living costs.

The current methodology used to assess a self-supporting student contribution is both unrealistic and inconsistent with the dependent model. This is particularly true under the uniform methodology which is used to determine need for the campus base programs. For the self-supporting student the uniform methodology expects a taxation rate of 100 percent on available income and taxes assets at a flat 35 percent regardless of family size. I believe this, again to be unrealistic, especially for a self-supporting student with dependents. A family with $20,000 of home equity would be expected to contribute $7000 of their home equity towards educational expenses.

The Middle Income Student Assistance Act (MISSA) greatly reduced the disparity between the dependent and self-supporting model under the basic grant program however, inconsistencies still exist. MISSA greatly liberalized the taxation rate of available income for the dependent model to allow more middle income families to become eligible for Basic Grants yet the taxation rates of available income for the self-supporting student remained the same.

I have enclosed a copy of *A Model for the Self-Supporting Student: An Alternative* which I presented to the NASFAA Committee on the Self-Supporting and Non-Traditional Student and is currently being examined by the committee. I am not suggesting this model be adopted with reauthorization, but serve as a guide when examining the resources of the self-supporting student. What I would recommend is that reauthorization mandate a self-supporting student model that is consistent with the dependent model. The model should contain a family size offset, tax a portion of discretionary income and assesses a more realistic contribution from the families' assets.

Specific taxation rates and family size offsets should be reviewed annually and adjusted when necessary by the Coalition for the Coordination of Student Financial Aid

The last issue that I would like to discuss is expanding eligibility to students who are less than half-time. It has frequently been stated that we have taken care of the full and half-time students now we can turn our attention to the less than half-time student. I would argue that the full and half-time students are not adequately taken care of. Even with the passage of MISAA the average unmet need of our financial aid recipients at Norwich will exceed $1,100. This situation exists among many institutions in New England and I would suspect that the same is true across the country.

Given the current mood of tight budgets and fiscal conservatism it would appear there are not sufficient funds available to fund all categories of students. Priorities must be established and decisions made by this committee as to which students will be funded. It is also disturbing to hear of institutions and States having excess funds when others are in dire need of additional funding. Procedures must be established to reallocate funds from States and institutions with surplus funds to those institutions who need them.

Much has been written about the inequities of the current State allotment formulas, however, proposed changes have run into political road blocks without viable alternatives. I recommend this committee examine the impact of changing the Commissioner's discretionary funds from the current 10 percent to a higher level. This would accomplish the same desirable results as changing the State allotment formulas, assuming the Commissioner utilized a consistent measure of true need in distributing the discretionary funds.

In closing, I believe in general, the current student assistance programs are effective and working to insure both access and choice to a wide diversity of student populations. Reauthorization of the Higher Education Act should not be revolutionary, destroying viable programs, but evolutionary building on the current strengths of existing programs.

I am most grateful to you, Mr. Chairman, for the opportunity to present my views to you.

A MODEL FOR THE SELF-SUPPORTING STUDENT: AN ALTERNATIVE

Historically, the financial aid community has been troubled by the lack of consistency in the packaging policies of institutions dealing with their dependent and self-supporting students. It has been argued that this is a result of the profession being more comfortable in working with traditional students with policies that have been developed over the years. I would suggest, however, it is in part due to the lack of uniformity in determining a student's need for each category of students. If we are to have consistency in the distribution of student aid funds and packaging between dependent and self-supporting students, there must be a consistent methodology in determining family contribution and establishing need. I recommend a methodology similar to that used for the dependent student be adopted for the self-supporting student. To be consistent, the self-supporting model should contain a family size offset, tax a portion of discretionary income, assess a more reasonable contribution from family assets and have a realistic self-help level.

To determine an equitable contribution and to establish need for the self-supporting student, there are two categories of family's resources that must be examined; family income and family assets.

FAMILY INCOME

Many aid administrators agree with the rationale used in uniform methodology that estimated taxable and non-taxable income should be used to determine available income for self-supporting students. Base year income (prior year) may not reflect the family's actual earnings, particularly if one of the family's income producing members is a student. The applicant's summer portion of taxable and non-taxable income would not be included with the family's estimated taxable and non-taxable income, as it is applied against the applicant's self-help expectation.

From estimated taxable and non-taxable income, the same non-discretionary items considered in the uniform methodology should be allowed. These expense allowance items include: federal income tax, social security tax, State and other taxes, unusual expenses, expenses incurred by a single parent household or by the employment of a spouse, and family maintenance. It is suggested that the expense allowance for a family with two members working, or a single parent household, be the same as that used in the uniform methodology for the dependent model.

I also recommend that the family size offset for self-supporting students be the same as the standard maintenance allowance for the dependent student. I support the rationale used to determine the amount of family size offset in the dependent model and believe it should also be applied to the self-supporting student.

It is recognized that the family size offset for the dependent student takes into account that the applicant is living at home only 3 months of the year. If the budget used in the self-supporting student model represents the commuting student expenses, rather than just the direct educational costs plus transportation, the applicant's living expenses are taken into consideration. If the applicant lives on campus during the academic year, the institution's residential budget should be used to determine the student's need.

The summation of the family's allowances are subtracted from the family's estimated taxable and non-taxable income to arrive at the family's discretionary income or available income.

SELF-HELP EXPECTATION

Most aid administrators believe all students should be responsible for a portion of their educational expense. The minimal self-help expectation should be fair and consistent for both self-supporting and dependent students. It is, therefore, recommended that the self-supporting student have the same self-help expectation as the dependent student. Since our self-supporting model utilizes a nine-month budget, the self-supporting, self-help expectation would be the same as a summer savings expectation of a dependent student.

It is also recommended that the self-help expectation should reflect the student's enrollment status. If the student is enrolled less than full-time, there should be an additional self-help expectation from the applicant during the academic year. The additional self-help expectation would only be used if the applicant's reported estimated earnings during the academic year were less than the self-help level and the applicant was enrolled less than full-time. The additional self-help expectation would be included in family income which is used to calculate the family contribution.

I felt it was necessary to require the additional self-help expectation if the applicant was enrolled less than full-time, because I did not want to penalize a family if the applicant was employed or, conversely, reward a family if the applicant did not work.

FAMILY ASSETS

Many aid administrators believe that the uniform methodology expects an unrealistic contribution from assets of self-supporting students with dependents. This is particularly true of families whose primary asset is their home. I recommend that the family's net assets, after applying the retirement allowance be divided by the number of family members. The applicants share of assets then would be taxed at the current asset taxation rate of 35 percent. The remaining assets would then be treated in the same fashion as the parent's assets in the dependent model. Net assets would be taxed at the same conversion rate as in the dependent model to arrive at an income supplement.

This approach acknowledges that the student, as the primary beneficiary of the education, is expected to provide a larger portion of his resources toward his education yet also recognizes other demands of the family.

The income supplement is added to available income, which was calculated from family income, to arrive at the adjusted available income. The adjusted available income is the total money that is available to the family for discretionary purposes. I believe that only a portion of the family's discretionary resources should be used for educational expenses, thereby recognizing other demands placed on the family unit.

I also could find no justifiable reason why the taxation rate of adjusted available income should be different for the self-supporting student with dependents than the taxation rate used in the dependent model. It is therefore, recommended that adjusted available income for the self-supporting student with dependents be taxed at the same rate as the dependent model.

SINGLE SELF-SUPPORTING STUDENT

There are two areas of my model that need to be examined further if we are to treat the single self-supporting student consistently with both the dependent and the self-supporting student with dependents.

In my model the family size offset assumes that the applicant is living home only during the summer months, therefore, the applicant's living expenses during the academic year is included in the student's expense budget. If we are to be consistent, the single self-supporting student's living costs during the academic year should also be included in the student's expense budget and not in a family size offset. This would preclude the use of a family size offset for the single self-supporting student.

The taxation rate of adjusted available income for the single self-supporting student must also be examined. The rationale for taxing a portion of adjusted available income of the self-supporting student with dependents was to recognize

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other demands associated with maintaining the family. This rationale does not apply to the single self-supporting student. Many aid administrators also believe that the single self-supporting student, as the prime beneficiary of the education, should be taxed at a higher rate. I, therefore, recommend that the taxation rate of available income for the single self-supporting student be higher than the taxation rate for self-supporting students with dependents.

I believe the proposed model to be a viable alternative to current methodology which is used to determine need of the self-supporting student. The methodology is consistent with the methodology used to establish the family contribution of a dependent student, thereby allowing the aid administrator to package self-supporting students consistently with dependent students. There is no need to distinguish between self-supporting and dependent students when an institution does its packaging. The model takes into account the family size in establishing the family contribution, yet the student's need does not include the living expenses of family members other than the applicant. The model also allows standard amounts for family maintenance depending on the size of the family, yet recognizes other demands of the family unit and taxes a portion of the family's discretionary resources. The self-help expectation is consistent for both the dependent and self-supporting student.

I believe the proposed model to be fair and consistent, which will allow the self-supporting student to be mainstreamed into the financial aid process.

I Summary of family income treatment.	II Summary of family asset treatment.	III Summary of family contribution
Estimated spouse's income:	Cash, savings, checking:	Available income:
+Applicant's academic year income (or minimum self-help, whichever is higher).	+Home equity.	+Income supplement.
+Nontaxable income.	+Net value of investments/real estate.	=Adjusted available income.
=Total income.	+Adjusted net worth of business/farm.	×Adjusted available income taxation rate.
−Federal income tax paid.	=Net worth.	=Family contribution.
−Social security tax paid.	−Asset protection allowance.	+Applicants contribution from share of assets.
−State and other taxes allowance.	=Discretionary net worth.	+Summer saving expectation.
−Medical/dental expense (over 3 percent of total income).	÷Family members.	=Total family contribution.
−Casualty/theft losses.	=Applicant's share of assets.	
−Housekeeping allowance (if applicable).	×Asset taxation rate.	
−Family size offset.	=Applicants contribution from share of assets.	
=Available income.	Discretionary net worth.	
	−Applicant's share of assets.	
	=Remaining family assets.	
	×Asset conversion rate.	
	=Income supplement.	

STATEMENT OF EDWARD FRANZIEM, DIRECTOR OF FINANCIAL AID, NORWICH UNIVERSITY, NORTHFIELD, VT.

Mr. Franziem. I am Edward Franziem, director of financial aid at Norwich University, an independent college with over 1,900 students. During the past year I served with the National Association of Student Financial Aid Administrators Committee on the Self-Supporting Non-traditional Student.

It is indeed a pleasure to appear before you today to discuss my perspective of the self-supporting student, particularly as they relate to the title IV programs.

Specific reauthorization issues that I believe should be addressed as they pertain to the self-supporting student are:

One. Changes in the calculation of the BEOG cost of education to more realistically reflect the living costs for students who are not living on campus.

Two. A methodology to determine the family contribution and establish need that is both equitable and realistic, that is consistent with the dependent model. The model should contain a family-size offset, tax a portion of discretionary income and assess a more reasonable contribution from family assets.

Three. The question of expanding eligibility to students who are enrolled less than half-time.

Currently the maximum educational expense allowance for room and board for students not residing in campus housing is $1,100 per year or $122 per month for a typical 9-month academic year.

This allowance has not been increased during the past 5 years despite rapidly escalating living costs. Students residing on campus are not affected as colleges are permitted to use the actual room and board charges in calculating educational costs to determine basic grant awards. The self-supporting student, as a group, is unduly penalized, as they are the students who are most likely to be living off campus.

I believe the members of the committee will agree that the allowance for room and board for students living off campus is ludicrous when compared to today's living costs and should be updated to a realistic level. I also recommend that this allowance be reviewed annually and updated, when needed, to reflect increases in living costs.

The current methodology used to assess a self-supporting student contribution is both unrealistic and inconsistent with the dependent model. This is particularly true under the uniform methodology which is used to determine need for the campus base programs. For the self-supporting student the uniform methodology expects a taxation rate of 100 percent on available income and taxes assets at a flat 35 percent regardless of family size.

I believe this again to be unrealistic, especially for a self-supporting student with dependents. A family with $20,000 of home equity would be expected to contribute $7,000 of their home equity toward educational expenses.

The Middle Income Student Assistance Act (MISAA) greatly reduced the disparity between the dependent and self-supporting model under the basic grant program. However, inconsistencies still exist. MISAA greatly liberalized the taxation rate of available income for the dependent model to allow more middle income families to become eligible for basic grants, yet the taxation rates of available income for the self-supporting student remained the same.

I have enclosed a copy of "A Model for the Self-supporting Student: An Alternative," which I presented to the NASFAA Committee on the Self-supporting and Non-traditional Student and is currently being examined by the committee. I am not suggesting this model be adopted with reauthorization but serve as a guide when examining the resources for the self-supporting student.

What I would recommend is that reauthorization mandate a self-supporting student model that is consistent with the dependent model. The model should contain a family size offset, tax a portion of discretionary income and assess a more realistic contribution from the family's assets.

Specific taxation rates and family size offsets should be reviewed annually and adjusted when necessary by the Coalition for the Coordination of Student Financial Aid.

The last issue that I would like to discuss is expanding eligibility to students who are less than half-time. It has frequently been stated that we have taken care of the full and half-time students, now we can turn our attention to the less than half-time student.

I would argue that the full and half-time students are not adequately taken care of. Even with the passage of MISAA, the average unmet need of our financial aid recipients at Norwich will exceed $100. This situation exists among many institutions in New England, and I would suspect that the same is true across the country.

Given the current mood of tight budgets and fiscal conservatism, it would appear there are not sufficient funds available to fund all categories of students. Priorities must be established and decisions made by this committee as to which students will be funded.

It is all disturbing to hear of institutions and States having excess funds when others are in dire need of additional funding. Procedures must be established to reallocate funds from States and institutions with surplus funds to those institutions who need them.

Much has been written about the inequities of the current State allotment formulas; however, proposed changes have run into political road blocks without viable alternatives. I recommend this committee examine the impact of changing the commissioner's discretionary funds from the current 10 percent to a higher level. This would accomplish the same desirable results as changing the State allotment formulas, assuming the Commissioner utilized a consistent measure of true need in distributing the dissretionary funds.

In closing, I believe, in general, the current student assistant programs are effective and working to insure both access and choice to a wide diversity of student populations. Reauthorization of the Higher Education Act should not be revolutionary, destroying viable programs, but evolutionary, building on the current strengths of existing programs.

I am most grateful to you, Mr. Chairman, for the opportunity to present my views to you.

Mr. TAUKE. Do you have extra copies of your statement?

Mr. FRANZEIM. I have some. I will give them to you later.

Mr. FORD. Marcia Vance.

[Prepared statement of Marcia Vance follows:]

PREPARED STATEMENT OF MARCIA VANCE, DIRECTOR OF FINANCIAL AID, VERMONT INSTITUTE OF COMMUNITY INVOLVEMENT (VICI)

Mr. Chairman and Members of the subcommittee, thank you for the opportunity to appear before you to share my views and to discuss the Title IV Student Financial Aid Programs, particularly in regard to how these programs serve the needs of the self-supporting student. I am Marcia Vance, Director of Financial Aid and other student services at the Vermont Institute of Community Involvement (VICI) here in Burlington.

As the student financial aid administrator at a very small, non-traditional, liberal arts college which serves predominantly non-traditional self-supporting students, I have become particularly aware of disparities—in my opinion, inequities—in the delivery of student financial aid to meet the needs of this category of student. I believe that many of these inequities are the inadvertent result of assumptions about who post secondary students are and what their needs in pursuing an education may be—assumption which historically have been based on, and are perhaps relevant for the traditional college-age population.

I hope hat you, and Congress as a whole, in reviewing and reauthorizing the student financial assistance programs will examine these assumptions and their effects, and make clear your intent as to whether these programs should serve all categories of postsecondary students. While recognizing the limitations of the funding available, I hope that it will be your clear intent to see that these programs serve all students as equitable as possible, with a sensitivity to the differing situations and needs of different types of students.

If, in fact, there is a federal mandate for open access to postsecondary education for all citizens—as I am led to believe by such words as those in the existing legislation [Title IV, Part A, Section 401(a)] that it is "the purpose of this part, to assist in making available the benefits of postsecondary education to qualified students in institutions of higher education," and by those of Secretary Califano presented to your Subcommittee by Mr. Bohen on July 19, 1979, that we have a national goal of giving "each American student all the education that he or she needs to develop their talents to the fullest" then, I would urge you to remove from the legislation that language and those restrictions which are based on the assumptions that postsecondary education will be pursued by persons who are young (the traditional 18–24 college age) just out of high school, unencumbered by their own dependents, obligations, or establishes lifestyles, and able to devote their full, primary effort to their own education.

An example of the operation of such an assumption appears in the current language authorizing Supplemental Educational Opportunity Grants [Title IV, Part A, Subpart 2] where [in section 413(a)] it is stated that "it is the purpose of this subpart to provide, through institutions of higher education, supplemental grants to assist in making available the benefits of postsecondary education to qualified students who, for lack of financial means, would be unable to obtain such benefits without such a grant." But when, in detailing what an institution shall agree to do to participate in this program it is stated [Section 413C(b)(3)] that "the institution will make vigorous efforts to identify qualified youth of exceptional financial need," by such means as working with high schools and identifying needy high school students who would benefit from continuing their education.

While I in no way mean to imply that I think it is not a valuable effort to encourage needy high school students to continue their education, I think that an equally valuable effort to insure that Supplemental Grants go to qualified needy persons whose talents are un- or underdeveloped might be directed at the unemployment roles or the recipients of welfare aid of the returning serviceman or woman. I use this example only to show how the prevailing assumptions about the postsecondary student may have biased or restricted the operation of these programs.

Another even more critical example of the damaging operation of these assumptions is evident in the authorization of the state allotment formulas by which funding for each of the campus-based programs is allocated to the states. In each allotment formula there is some element which potentially limits the recognition of the non-traditional self-supporting student—whether it is that students will be enrolled full-time, that the proportionate share of high school graduates or children in low-income homes should be counted, or that full-time equivalent enrollment measures proportionate need for funds. If these students are a growing percentage of the postsecondary population—as most national studies seem to indicate, and if their existence and need is not being equitably recognized in the allotment of a state's share of the funds, then the lack of equity in the distribution of funds can only become more and more severe until a new method of allocation is established which does take this population more equitably into account.

I would now like to define a bit more clearly the characteristics of that non-traditional, self-supporting population which I have been attempting to serve and which I feel is in many ways not being equitably treated by the student financial assistance programs. For the most recently completed year, 1978–79, there were 80 students served by one or more of the Title IV programs at my institution. (This represents approximately two-thirds of our total student population.) Due to our small size, I was able to know each of these financial aid recipients personally and to discuss with them their financial and educational situations—with many, our discussions have been at great length. None of these people had been continuously in school since high school—either by coming to VICI directly from high school, or by transferring from another postsecondary institution which they had attended directly from high school. 21 were men, 59 were women, and their average age was 26. Only 5 (6 percent) were classified as dependent applicants according to the current federal definition. Of the 94 percent who were self-supporting, only 6 (8 percent) were under age 22, but only 4 (5 percent) were single without spouse or dependent children. 42 (56 percent) were single; 1 (2 percent) was married with no children; 19 (25 percent were single with dependent children; and 13 (17 percent) were married with children. 6 (8 percent) were veterans (although this does not include our total veteran population, most of whom are financially ineligible for assistance under Title IV). 20 (27 percent) were attending on a part-time (less than full, but half-time or more) enrollment basis.

The 1978–79 Annual Report prepared by the Self-Supporting and Non-Traditional Student Committee of the National Association of Student Financial Aid Administrators (NASFAA) sums up very well, I believe, the overall qualitative description, and the differences from the traditional college student, of the individuals behind these statistics for my institution:

The non-traditional self-supporting students include the over 23 year old entering or re-entering college after being out of school for one or more years, single parents with one or more dependent children, welfare recipients, the "un and under" employed seeking training or retraining, displaced homemakers, and the 35+ year old female, the handicapped, and the part-time "drop-in and drop-out" student with job and family responsibilities. Many characteristics differentiate the adult student from the more traditional college student. In general, adult students have entered postsecondary education after a break in formal education, are older, have responsibilities for dependents and financial obligations resulting from an established life-pattern, and view education as one of several equally important life goals. For most traditional college students, attending on a full-time basis, educational goals are primary. For many adult learners, the demands of famiily, job and financial responsibilities often compete with the ability to achieve educational goals.

Regarding the reasons that adult students want to pursue a postsecondary education, most studies reveal that adult students enroll for the same reasons as traditional college students: to secure training for the professions, to learn skills necessary for a better paying job or job advancement, career change, and personal enrichment (pp. 6–7).

While assumptions which are unintentionally in conflict with the realities of non-traditional self-supporting students are evident in some of the current authorizing language (such as the assumption that postsecondary students are young and directly out of high school, which was pointed out earlier), it has been my experience that most of the inequities in the treatment of these students exist within the interpretations of the law which are promulgated as program regulations or established through other methods of directive by the Office of Education. It is, in fact, sometimes difficult not to see specific restrictions and specifications, which often seem to artifically limit the eligibility of or the availability of funding for self-supporting students, as rationing devices to exclude or limit the need of these students.

One area in which I find unrealistic assumptions resulting in inequitable treatment on non-traditional self-supporting students is that of the setting of the recognizable costs of education or student budget. While these budget issues are very difficult to separate out from other aspects of the delivery process, such as needs analysis or program restrictions or distribution of campus-based funding to institutions—all of which interact in determining the actual, final consideration of any particular student's need and aid, the clearest and purest example of my point in this area is in the Office of Education's determination that recognizable room and board costs for students living off-campus shall be limited to $1100 in the calculation of a student's costs of education for the Basic Grant program. Even if one assumes that these costs of education include expenses for only nine months because the student is only enrolled for that period (a fallacious assumption for most of my institution's students), this means that an individual's costs for minimally housing and feeding himself or herself will only be recognized at the rate of $122.22 per month. In the Burlington area, it is difficult to find even a crowdedly shared apartment for this amount.

If, however, the same student were living on-campus and paying institutionally charged room and board costs, his recognizable costs for the nine-month period in 1978–79 would average, nationally, from $1,320 to $1,579 depending on the type of institution, or, in Vermont, would range from $1,350 to $1,950. (As reported in the College Scholarship Service's publication "Student Expenses at Postsecondary Institutions, 1978–79," p. v. and p. 50.) While this discrepancy affects all students, it is the non-traditional self-supporting student who is most likely to have no choice, or an unrealistic choice at best, about living on- or off-campus.

The result of this restriction is that a self-supporting student will be more, perhaps inevitably, likely to receive less Basic Grant than a dependent student with exactly the same eligibility and the same cost for tuition and fees.

The Office of Education's level of awareness of or concern about this discriminatory limitation is reflected in the following response to comments, received in reaction to proposed Basic Grant regulations, which sugegsted at least some cost of living increase in this room and board allowance (first established in 1973–74): "The Commissioner believes that the room and board allowances are adequate at the current time. However, the Office of Education is planning to undertake a survey of room and board costs at colleges in various parts of the country to determine whether the off-campus room and board allowances should be raised." (Federal Register, Vol. 44, No. 18, Thursday, January 25, 1979, p. 5275, Subpart E, 190.51.)

Differences in the treatment of self-supporting and dependent students are the most clearly visible, however, in the needs analysis areas of the delivery system—aspects of which are specified in considerable detail by the authorizing language for the Basic Grant program and are regulated by the Office of Education through the family contribution benchmarks process in relation to the Uniform Methodology for the campus-based programs. The changes in the treatment of self-supporting students authorized by the Middle Income Student Assistance Act (MISAA) were an important step (now, hopefully, finally and irreversibly taken—for the current year, at least) in a more equitable treatment of the income of single independent students and the assets of independent students with dependents. However, it is interesting to note that, for both major needs analysis systems (BEOG and Uniform Methodology), the legislation and the regulations are much more exactly and comfortably detailed for the parental family contribution assessment that for that of the self-supporting student family. In effect, even in the Basic Grant analysis, the Office of Education has much more latitude to interpret the law in relation to self-supporting than to dependent students.

Whatever the cause or the source, very different assumptions are applied to these two categories of students in both needs analysis systems. Thus, in relation to Basic Grants, the same family size offsets are applied to parental and self-supporting student effective income, but the parental discretionary income is taxed as specified by law at 10.5 percent, while self-supporting student discretionary income is taxed as follows: 75 percent for single students; 50 percent for married students with spouse only; and 40 percent for students with dependents other than spouse.

Under the Uniform Methodology, parental discretionary income is taxed on a sliding scale beginning at 22 percent and increasing as discretionary income increases up to 47 percent of adjusted available income over $9,590 (adjustments having been made for minmum maintenance, federal, state and local taxes, medical/dental expenses over 3 percent of total income, casualty/theft losses over $100 each, and a housekeeping allowance for single parent families and those with two working parents). Self-supporting family income, however, is taxed at 100 percent of adjusted available income (adjustments having been made only for Federal Income Tax and Social Security Tax, with the maintenance allowance existing in the student budget). Thus, in relation to income, the Uniform Methodology ignores the possibility that self-supporting students and their families may have exactly the same nondiscretionary taxes and unusual expenses as the dependent student's parental family. While these items may be added to the student budgets, this must be done at institutional discretion and on peril, or at least with the additional effort, of having to document and justify the rationale for such an action.

Assets are also dissimilarly treated. While MISAA has brought equity to the Basic Grant needs analysis for dependent students' parental family assets and those of self-supporting students with dependents, there is still no recognition of the possibility that there may be an inequity in the assumption that a dependent student and a non-traditional single self-supporting student are equally affected by having their assets equally taxed at 33 percent.

Much more discriminatory, however, is the Uniform Methodology treatment of self-supporting student assets where there is, first, a lower asset protection allowance applied against the self-supporting student family's assets ($11,310 for a 40 year-old student with dependents decreasing to $0 at 25 years old; $11,310 for a two-parent dependent student's family with 40 years as the age of the main wage earner, increasing to $40,690 at 65 years of age or over), and, second, a higher taxation rate assessed against unprotected asset value for the self-supporting student and family (a straight 35 percent for the self-supporting student's family, with any negative discretionary net worth disregarded; variable rates for the dependent student's family, depending on the amount of available income, with any negative discretionary net worth subtracted from an available income of $4,789 or less).

These differences in the Basic Grant's and Uniform Methodology's treatment of these two categories of student are graphically represented in the classic "Student Parent—Parent Student Problem" in which the independent and dependent models are applied to the same family financial situation—a family of mother, father and one or two children with an annual income of $15,000 and assets of $10,000; age of main family wage earner is 46; no unusual expenses. In the Basic Grant analysis, where one of the children is the student, the eligibility index would be 721, which qualifies the student for a Basic Grant of $838–$956 for full-time attendance; but where the mother is the student, the eligibility index would be 2,748 with no eligibility for a Basic Grant.

In the Uniform Methodology, with a similar comparison, where the child is a student the family contribution would be $2,350, qualifying the student for aid at many postsecondary institutions; but where the mother is the student, the family contribution would be $19,530, disqualifying the student for any aid at any institution. (These comparisons are taken from the NASFAA Self-Supporting and Non-Traditional Student Committee 1978–79 Annual Report referred to earlier. Charts presenting these calculations are attached as an appendix to this statement.)

The following except from the 1978–79 Report of the NASFAA Self-Supporting and Non-Traditional Student eloquently summarizes the issues from which this disparate treatment arises:

> The dependent and independent models of the uniform methodology were developed based upon a series of value judgments regarding the use of family resources. Under the dependent model, the establishment of the taxation rates on the parents' available income is based upon a recognition that postsecondary education is only one of several legitimate uses for the family's discretionary income. The family is able to exercise choice on other family decisions, as well as increase their standard of living over that allowed in the BLS low.
>
> However, under the independent model of the uniform methodology, the 100% taxation rate on available income does not recognize that the independent student may have other legitimate uses for his/her discretionary income in addition to educational expenses.
>
> Adult and part-time students have many similarities to the parents of dependent students, including an established lifestyle and financial responsibilities for several facily members. The current taxation rate on available income for the independent student expects that once the adult learner has decided to enter postsecondary education, he/she can reasonably allocate all the family's discretionary income to the educational expenses of one family member. This is not a realistic expectation for most adult and part-time learners (p. 18).

Another area in which I find assumptions based on traditional student circumstances are misapplied to the situations of self-supporting students in the regulatory interpretations of the authorizing legislation is in the specific definitions of general language. The best example of this exists in the regulations detailing the intent of the Supplemental Grant program's language about such grants going to students "who, for lack of financial means, would be unable to obtain such benefits without such a grant." While both the law and the regulations speak generally of "exceptional financial need," the regulations go on to specify that this situation exists only when the family contribution equals 50% or less of the cost of education. With both the needs analysis and the student budget processes already unfairly representing the self-supporting student's family contribution in relation to that of the dependent student's, this specification can often result in an adult or part-time student being seen as ineligible for a Supplemental Grant even though his or her actual economic situation is much less favorable and he or she is, thus, much less able to obtain an education without the assistance of these funds than the dependent student.

Students thus arbitrarily excluded from gift aid may potentially, of course fall back on self-help forms of assistance—work-tudy or outside employment and/or loans. This becomes somewhat of a false promise, however, in the quite typical situation of a single adult earning perhaps $6,000 per year at a semiskilled job, who wishes to advance himself or herself by attending a couple of courses per semester without having to give up his or her job and lose what small security of lifestyle he or she has achieved through employment efforts. Such an individual would be very unlikely to qualify for any of the federal gift aid assistance and would be told that he or she can incur a debt load of his or her extra costs for education, or can take additional part-time work (for which he or she, of course, has no time between full-time work and half-time study). Such a potential student, in my experience anyway, is very unikely to risk the uncertainties of losing what little he or she has, either by going into debt on the hopes of having a better income in the future or by quitting his or her job in order to plunge into full-time enrollment.

While it may be argued that such an individual does not have a valid or sufficient commitment to education and is not willing to make the appropriate sacrifices in order to pursue further advancement, I would submit that such an easy dismissal of this situation does not reflect the reality of many such cases. Nor do I think that it is in society's best interests to ignore the educational needs of such persons, or to expect an adult to completely impoverish himself or herself in order to obtain the additional training or self-betterment which may well be of great value to the individual and to his or her community, but which may not translate directly into a sufficient degree of economic advancement to enable that person to reasonably and willingly repay a large debt obligation. Such arguments may be extended in some respects to the younger, less established dependent student, but it is the adult who has already been struggling with economic and personal self-sufficiency who feels and lives the burdens of these circumstances most strongly and who is often deterred from pursuit of further education by the insensitivity of the system to his or her needs.

This treatment of the self-supporting student situation, as described above, in relation to the 50 percent of costs eligibility limitation in the Supplemental Grant program leads into a larger issue concerning the treatment of family contribution which relates in some ways to dependent and self-supporting students alike—that is, the labeling and processing of family contribution as "gift aid"

Presently, family contribution is produced by the needs analysis systems—with the problems of disparate treatment I have outlined above—and includes, for the dependent student, an assessment of the parental contribution and of a contribution from the student's own resources (savings, investments, entitlements, etc.). In my limited experience with dependent students from low to middle income families, the dependent's family contribution is largely or totally parental contribution as the student has no separate resources. For the self-supporting student, family contribution obviously represents only an assessment of the income and assets of the student (including any entitlements) and the student's spouse.

Given a similar low to middle income situation for both of these family units being assessed, student resources predominantly result from earnings—whether reported as income or as limited asset strength resulting from prior earnings—or from some form of public assistance provided because the family is unable to support itself with earnings (welfare, unemployment, disability). From the perspective of the student, then, the parental contribution and the portion of the family's financial strength which is produced by the spouse are similar in that the student himself or herself did not directly produce them by his or her own efforts. To the extent, however, that the family contribution results from the student's own current or past efforts—which would be totally the case of a single working adult with no assets—it seems to me highly questionable to equate such amounts with gift aid.

While it is currently somewhat within the discretion of the institution to make these distinctions in its packaging policies, ths equation is made indirectly in the assumptions on which the determinations of eligibility for Basic and Supplemental Grants are based; and it is now being made directly in the use of the derived effective family contribution in the Office of Education's formula for the allocation of campus-based funds.

This application process for the allocation of campus-based funds, which had been newly instituted and used for the 1979–80 year, is another area of major concern which I would like to address in relation to the treatment of self-supporting students. While I do not presume to understand fully the workings of the formula (and I have been unable to find anyone, including those who designed it, who does or who would at least be able to explain completely its results), there appear to be elements within it which, if allowed to be fully applied, would result in a significant, perhaps massive, shift of funds away from institutions with high concentrations of self-supporting students. If there had not been the "hold-harmless" provision of a conditional guarantee based on previous years' funding levels for the 1979–80 year, it seems clear that a sharp reduction in the Supplemental Grant and Work-Study programs would have occurred at my institution and at other institutions with which I have discussed this matter which have large proportions of self-supporting students.

While the Office of Education has analyzed the results of the process only in regard to institutional type, even this analysis seems to indicate support for this inference, as the shifts which did occur nationally increased funding to four-year private institutions and decreased funding to two-year public and proprietary institutions. Thus, if my inferences about the effects of the new funding process have any validity, the result could be that the proportion of funding available to self-supporting students will be decreasing regardless of any other actions or intentions concerning a more equitable recognition of their needs.

Some of the possible causes of this foreboding shift in funding among institutions in the campus-based programs are, I believe, related to the way in which self-supporting students' living costs and effective family contributions are used in the formula which supposedly indicates each institution's national relative fair share of available funds. In this formula, effective family contributions—derived by an already biased needs analysis system—are subtracted first from an institution's relative need for gift aid. Thus, to the extent that more of the self-supporting students' effective family income is derived from the students' own earnings, the availability of gift aid may potentially be limited more severely by the students' own self-help efforts for self-supporting than for dependent students.

Secondly, although adjustments were supposedly made in the calculation of the effective family contribution to account for average family size and for the disparity between using annual income and a standard nine-month living costs allowance for all students, I cannot help suspecting that the use of an average living cost of $2,450 was highly detrimental in its application to the non-traditional self-supporting student whose legitimate costs might be considerable higher than this, and beneficial to the dependent student whose expenses for living on-campus might be somewhat generously served by this figure. While, the Office of Education seems to feel that a fair index of relative need is being obtained from the formula process, I am still not convinced that such fairness is possible when so many questionnable assumptions lie buried beneath the seemingly even surface of the formula's being equitably applied to all.

Finally, I see the formula process and its potential effect of sacrificing any recognition of real inequities in the interests of efficient administration, manageability, and accountability as only one of several such tendencies in the Office of Education's need for consistency, accountability, and efficiency in the expenditure of billions of dollars and in the running of massive program on a national scale. I am nonetheless disturbed by developments which could potentially have the effect of making more and more difficult or restricted the delivery of these funds to the individual students whom I see daily and who are, from any perspective I personally am able to form, highly needy of them.

Other examples of movement in this direction of which I am critical are suggestions that the Office of Education wishes to move all needs analysis to the use of base your data, to set national guidelines for the establishment of student budgets and of packaging policies, and to eliminate as much as possible of any subjective (and thus unauditable) criteria in needs analysis and in determination of student status and eligibility. I would just reiterate in relation to these trends and aspirations of the Office of Education that it is the non-traditional self-supporting student who, in my experience, most often is excluded or limited from funding in any movement toward absolute consistency and auditability. I see this result arising both from the fact that the assumptions made about students' situations are most often based on the traditional postsecondary students' circumstances and from the fact that self-supporting students' situations are ofen very tenuous, changeable, and unstable.

I do not mean to imply however, that all steps currently being taken are negative. The Middle Income Student Assistance Act has definitely removed unreasonable restrictions from the treatment of many self-supporting students and there are, in my opinion, positive changes presented in the recent "Notice of Proposed Rulemaking" on the Basic Grant Family Contribution Schedules for 1980–81 Federal Register, Vol. 44, No. 145, Thursday, July 26, 1979). I am particularly pleased to see the proposals for lowering the taxation rate of self-supporting students' discretionary income to 25%, and for broadening the criteria on which estimated year income may be filed to include loss of other nontaxable benefits in addition to unemployment compensation. I also believe the steps to close the loophole of ignoring dependent student earnings are positive on the whole. Further, the specifications relating to the treatment of married dependent students seen, on my initial exposure to them, to be reasonable. I do not, however, have any experience of analyzing such situations firsthand and would defer judgment to those who have and could, thus, be more aware of the potential effects of such a treatment.

I do, however, continue to see considerable difficulty with the use of base year and, even, with the use of calendar year data for self-supporting students and the so-called married dependent students who may, in actuality, have severed all financial ties with their parental family unit since the base year. For both categories of student, the base year information may have no relation to the current reality of these students' financial situations. While the filing of a supplemental Basic Grant application does alleviate this gap in many cases, there still remain many situations where the applicant either does not quite meet the criteria for so filing or has had a drastic change in his or her circumstances during the current year. For example, a single self-supporting student who has been earning a modest, but not impoverished living during the calendar year in which he or she decides to begin postsecondary attendance but who, once in attendance, no longer has any income, may be in great need of financial assistance in order to pursue an education. Such a person may not, however, be eligible for any Basic Grant until the next academic year—a full calendar year away—and then may qualify only if he or she is eligible to submit a supplemental application form. While I realize that the new proposed taxation rate may help considerably and that there may be no way in which a national system can be sensitive to every individual's needs, I would still argue for admitting into the process an awareness of individual differences and for the introduction and maintaining of as much flexibility as is humanly possible, as opposed to an insistence on maximizing bureaucratic consistency and a focus only on the global picture in which all the individual inequities and discrepancies are leveled into an acceptable average.

Having addressed the major inequities and trends which I have witnessed as being detrimental to the self-supporting student population I serve, and having attempted to analyze the reasons for and causes of these inequities, I would like briefly, before I close, to suggest an approach to the needs of non-traditional self-supporting students which I feel would bring much closer to reality the goal of enabling each of these American citizens to obtain all the education he or she needs to develop his or her talents to the fullest. While I realize I do not begin to know how to legislate or regulate such a system into existence, I recommend the following general outline for the treatment of these students because I know that it works for and is viewed as fair by the students with whom I work:

(1) Establish budgets which are truly reasonable in relation to the real costs of living for each category of students, taking into account the situation in which students find themselves and/or in which they need to live in order to benefit from an education.

(2) Look at the current, real situation of the student in assessing his or her own ability to provide for an education.

(3) Make gift aid available, to the extent that funding permits and the student is in need of it, to cover all of the legitimate extra costs a non-traditional self-supporting student incurs in the pursuit of a postsecondary education (e.g., tuition, fees, books, and extra travel, food, and child care costs).

(4) Make work and loan funds available, to the extent that funding permits and the student is in need of them, to cover the student's living costs. Allow the student to choose the type or combination of these funds he or she feels able to handle.

(5) Extend at least the gift-aid portion of these provisions (No. 3) to needy students enrolled less than half-time.

(6) Build in as much sensitivity as possible to the individual circumstances and needs of every student (and take the time and spend the effort to find out what these are).

Perhaps such a treatment as I envision above is unrealistic on a national scale. Nonetheless, I believe, it or something moving toward it, would more equitably and sensitively address the needs of what may be—if current patterns continue—a growing population and a growing social need.

In closing, I hope this expression of my views has been appropriate and valuable. Again, I wish very much to thank the Subcommittee for the opportunity to present my observations and opinions. I would be happy to try to answer any questions the Members might have.

TREATMENT UNDER UNIFORM METHODOLOGY MODELS

[Example: A family, mother, father, and child, with an annual income of $20,000 and assets of $10,000. Age of main family earner is over 35]

	Dependent model (child is student)	Independent model (mother or father is student)
Budget:		
Tuition and fees	$2,400	$2,400
Books/supplies	200	200
Transportation (commuters)	600	600
Maintenance and personal expenses	1,300	[1] 8,130
Total	4,500	11,330
Family contribution	2,350	19,530
Financial need	2,150	0

[1] National budget standard for family of 3.

TREATMENT UNDER BEOG MODELS

[Example: A family, mother, father and 2 children with an annual income of $15,000 and assets of $1 0,000. Age of main family wage earner is 46. No unusual expenses]

	Dependent model (child is student)	Independent model (mother or father is student)
Total income	$15,000	$15,000
Federal tax	1,380	1,380
Family size	6,750	6,750
Offset (estimate)		
Total allowances	8,130	8,130
Income supplement from assets	0	0
Available income	6,870	6,870
Taxation rate (percent)	0.105	0.40
Student eligibility index	721	2,748
BEOG award amount	(1)	(2)

[1] $833 to $956 for full-time based on cost of education.
[2] Not eligible.

STATEMENT OF MARCIA VANCE, DIRECTOR OF FINANCIAL AID, VERMONT INSTITUTE OF COMMUNITY INVOLVEMENT (VICI)

Ms. VANCE. Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear before you and share my views on the title IV student financial aid programs. My particular focus will be on the needs of the self-supporting student.

I am Marcia Vance, director of financial aid and other student services at the Vermont Institute of Community Involvement (VICI) here in Burlington.

As the student financial aid administrator at a very small, nontraditional liberal arts college which serves predominantly self-supporting students, in my experience working with these students I have found discrepancies that I consider inequities in the treatment of them by these programs.

I appreciate your high level of concern and awareness of this treatment which seems to be inequitable. The two key issues that I see as causing these inequities are, first, a series of assumptions which had been based on traditional student's needs which are thus very likely to be false when applied to nontraditional students.

The second area at issue is I see coming out of these assumptions ways in which funding is rationed, and it rationed with a particular discrimination against the self-supporting students because many of the assumptions are based upon traditional students.

I would like to point out a few examples of this in my summary. There are more extensive examples in my written testimony. For example, the language of the Higher Education Act speaks in certain cases of students with no qualification. At other times, it speaks of young people.

A particular example of this is in the authorization of the supplemental grant program where the purpose of that part is described as to provide funds to students who would otherwise not be able to attend. When it gets into specifying what an institution should do in agreeing to participate in this program, it talks about only recruiting or working on increasing the eligibility of needy high school students. It makes no mention of other types of students.

And I don't feel this was a conscious effort to exclude other types of students. Again, it is just based upon assumptions about who college students are, or any postsecondary student.

Another area in which this kind of, I believe, inadvertent assumption appears is on State allotment formulas. I realize this is a very political area, but I would like to point out that the criteria in all formulas do relate to traditional college students, high school graduates, full-time equivalents or counted only full-time students.

In many cases these are not going to address the numbers of nontraditional students. In the area of these assumptions leading to rationing devices and processes, I see this happening more in the regulations than in the law itself. The law is very general. Such things as the example that Ted mentioned, the basic grant, off-campus room and board allowance being set at $1,100.

The effect of this is that although a student may be attending an institution with a relatively high tuition during the current year, unless that tuition is $2,100 or more, that student will not be eligible for a community development basis grant. Nontraditional, self-supporting students do tend to be the bulk of the population living off campus.

Another example is the needs analysis system which has a uniform methodology, which Ted also mentioned. There is an assumption that this much higher portion that Ted was describing of the family's resources can be automatically committed to education once a member of the family decides to go to college in the case of the self-supporting student than in the case of a dependent student.

Another rationing effect is that the student's share of the family contribution, however, tends to get equated with the parental contribution, and I would say that those are very different things, at least from the perspective of the student.

I see several positive trends which Ted mentioned. The Middle Income Student Assistance Act did a great deal to help in the basic grant program, and apparently the administration is also interested in liberalizing the family contribution. Schedules that have been just recently published for 1980–81 do also show some improvement, particularly in MISAA, the asset protection and the more realistic family offset, and in the notice of proposed rulemaking, the lowering of the taxation rate of discretionary income of 25 percent for all self-supporting students.

However, I also see some negative trends coming almost exclusively out of the Office of Education, and I can be sensitive to the Office of Education's need for accountability and efficiency. But I see this leading to an insistence on things which, again, tend to be discriminatory against self-supporting students. For example, use of base year data.

For a typical dependent student's family, probably there will not be great fluctuations year to year. For a typical self-supporting student, nontraditional student, those fluctuations are almost inevitable. They are the rule rather than the exception.

Another example is what I see myself. I don't have much to document it but there seems to be a movement of campus-based funds from institutions that have high proportions of self-supporting, nontraditional students to more traditional institutions through the use of the application of the formula allocaion process that was just instituted this past year.

As I said, I do not have much data. I have not yet even found anyone in the Office of Education who can explain to me exactly how the formula works and why it produces the results it does, but I have a feeling that such things as the way in which family contribution is handled and the way in which costs are set has something to with it.

Because of the Office of Education's need for reliability and leveling everything to an average, with few exceptions allowed here and there, the more elements of the delivery system which the Office of Education takes over and does from a nationally centralized perspective, the more pessimistic I become about improving equitable treatment for nontraditional, self-supporting students.

While I do not believe that all of the issues I have addressed should be specified and detailed in legislative language, what I would urge and hope is that you will make every effort to make clear that the law clearly states an intention, a high degree of commitment, hopefully, to the needs of nontraditional, self-supporting students.

I very much appreciate this opportunity to address you, and I would be happy to answer questions. Thank you.

Mr. FORD. Mr. Iverson.

STATEMENT OF RON IVERSON, VERMONT STUDENT ASSISTANCE CORPORATION, BURLINGTON, VT.

Mr. IVERSON. Mr. Chairman and members of the committee, I am delighted to respond to your invitation today to participate in the hearings regarding the issues pertaining to title IV.

Even though our time is limited today, I would like to take a minute to express on behalf of the people of this State our sincere thanks and appreciation for your work in guiding the recent higher education amendments through passage. For these amendments to have passed the House on Tuesday to be amended by the Senate that afternoon, and the amended version then passed by the House the following day, I think, is an extraordinary accomplishment and a clear indication of this committee's support for higher education and students.

Mr. TAUKE. Could I interrupt? Do you have copies of your statement?

Mr. IVERSON. I do not have a prepared statement.

Mike, Ted, and Marcia have all commented very positively, I think on an area that needs considerable consideration during the reauthorization process. The $1,100 allowance for students living off campus who are usually self-supporting is illogical and incomprehensive to me when, if that student lived in the dormitory, they would be allowed, in many of our institutions, $1,950. They would be allowed $850 more to live in a subsidized dormitory, probably in a situation where dormitory food can be produced and offered at a lower rate than they can purchase it in their local community as an individual.

The other area that we see in our office is, first, a definition of what a self-supporting student is, and second, once we have defined a self-supporting student, let's be realistic in meeting that student's needs.

Just one quick example. BEOG eligibility is based on base year earnings. If you are a self-supporting, independent student working prior to your enrollment in September, your eligibility is based on earnings when you were working full-time and does not reflect your income in a collegiate situation.

In our office we use the income which is representative when the student is in their college environment. We do not back up 9 months and say you were earning this number of dollars, we assume you are continuing to earn it. It is, again, unrealistic.

At the present time, we have not received a copy of the Kennedy-Bellmon legislation, nor have we had the opportunity to analyze the administration's position. I would hope, Mr. Chairman, that we would be allowed to provide supplemental information to you at a later date regarding these proposed changes of title IV.

I would therefore like to share some specific aspects of our programs which have been the basis for a sound financial aid program in our State. The Vermont Student Assistance Corporation, known as VSAC, was created in 1965. We administer three major programs, grants, loans, and outreach services. Probably in most States, the outreach services are the least known and have the least attention paid to them.

We have adopted a goal that no student should be denied a postsecondary education because he or she lacks information regarding financial aid and career information. To help meet this goal, we provide information and counseling services. We administer a statewide talent search program, and we administer the educational information centers program.

I will state it is divided into seven regions. Within each region there is a full-time counselor living. This individual coordinates their effort with high schools, guidance counselors, social welfare officers, vocational rehabilitation officers, possibly 4-H groups, anything where there is an outreach need and students are involved.

One of the most positive aspects are home visits. They go into the homes, sit down and talk to the people at their kitchen table. We alleviate some of the fears. We can answer questions. We can help them plan their goal.

What are the results of this one-to-one counseling. In 1978, 49 percent of Vermont high school graduates immediately continued their education at the postsecondary level. In our talent search program dealing with disadvantaged and, I think, socially deprived individuals, the continuation rate was 20 percent higher, 6 percent.

In our grant program, I believe we have one of the best-supported State grant programs in the United States in terms of funding and attitude. Students going to the nontraditional vocational-technical schools are eligible to take our aid with them when they go. They are able to utilize their aid in out-of-State institutions.

We also have a program that helps students attend our more expensive independent colleges. On the administrative side, Vermont is a small State with eight officers. Members of our organization work very closely. We have been using a comment financial aid form for 5 years. We can derive student eligibility off of this form for BEOG, colleges and ESAC (phonetic).

In Vermont, the state program has played an important role in making the BEOG program successful. In addition to disseminating information and answering questions regarding BEOG, we have also developed follow-up systems to promote accurate financial data. All financial data provided to our office, adjusted gross income, taxes paid, and number of dependents, is verified through the Vermont Department of Taxes. When we spot an error, we automatically will write the parent and tell them to correct the student eligibility report.

When we review applications, and we review every one, we find parents who are eligible who submit supplemental applications to the BEOG program. Again, the system is designed to send that family a letter or a telephone call will be made instructing them how to complete the supplemental. And if necessary, we will work with them on it.

We also administer, as I mentioned, the guaranteed student loan program, which is the single largest financial aid program for Vermonters and is of substantial importance to our students and colleges.

I believe access to student loans in our State can never be duplicated by proposals being suggested by the Office of Education or Senators Bellmon and Kennedy. Some of my reasons are this. Vermont has the highest participation rate in the United States, lender participation rate. All but one small bank with $50 million in assets participate in our program.

In addition, there are eight New Hampshire banks in the Vermont program and one Massachusetts bank, the reason being many Vermonters live on the border and bank in these institutions. Banks are meeting our student loan demands which are supported by the growth in our guarantees.

During the last 2 years, we have increased our guarantees by 100 percent.

Another area which I do not think will be duplicated is the 15-year history of excellent repayment for student loans by the citizens of this State. When loans are made by a hometown banker, a strong sense of responsibility and accountability for debt is established. And if this sense of responsibility is lagging a little bit at times, there is a local contact to stimulate it.

In my own case, I am sure if I had been delinquent on a student loan, the banker would have called my dad and said, "Hey, Phil, where is that son of yours? He is behind on his loan payments." I could have been living in any other part of the world and I would have known about that. [Laughter.]

I cannot duplicate that service. I don't think the schools can duplicate it. I don't think the Office of Education can duplicate it. That is local control, as we say in Vermont. [Laughter.]

It puts the program in the hand of the people who are closest to the recipients. Working with lenders, we have in our own office a preclaims collection to help them if they do encounter difficulties. For a half-million pepole with $10 million a year student loan guarantee. We have, at no cost to the Federal Government, 125 people servicing this Guaranteed Student Loan program when you take into account the loan officer in every single financial institution and branch in the State of Vermont.

Before closing, I must mention that Vermont at one time in the late sixties, as a result of encumbered reserve funds, utilized the Federal insured student loan program. We refer to it as the FISL program, or some as the "fizzle." Our banks came to us and said: We will discontinue participating with the program unless the State of Vermont reinstitutes its guarantee and provides its services in collecting loans.

In closing, some of my observations and recommendations regarding title IV are as follows: Be sincere and provide more equitably in the BEOG program for the independent student. And as you said earlier, Mr. Chairman, in your opening remarks, recognize the needs of the nontraditional student. It is a growing population.

I strongly support the one-half cost maintenance of the BEOG program, and I would be happy to elaborate on that during questions if you so desire. Expanding funding for outreach programs, for talent search, for upward bound, special service for disadvantaged students. If we have money for students to go to school and the people do not know about it, it can never function as intended by the Congress.

Keep the guaranteed student loan program on a local level and give the program a chance, especially in new States.

Congressman Tauke may be interested that I did speak with the Iowa Guarantee Agency which has just started, and in 3 months they enlisted 555 new lenders and have guaranteed $6.5 million in new loans. I cannot believe that they will continue with this commitment if the Department of Health, Education, and Welfare continues to publicize their desire to close it down.

I would also retain the interest subsidy the subcommittee fought so hard for, for two seasons. It is a major step for helping middle-income families. Second, I believe it has been one of the most successful devices of outreach we have seen. Our loan guarantees, our incentive grant applications increases have not been the result of programs extended just to higher income people.

As a result of your work, people now know they are eligible for the program without any financial considerations, and they are coming to our office.

Thank you, Mr. Chairman, for the opportunity today, I would be happy to answer any questions.

Mr. FORD. Thank you very much. I thank you particularly for your last statement because it has been my feeling in the administration of the Middle Income Student Assistance Act that if we could get over the artificial barrier that led to the common gossip that there was only a certain kind of person who gets federal aid, that a lot of people already qualified for the programs would be encouraged to come in.

And my own suspicion is that the increases we are seeing are going to be analyzed out at the end of the year and we will find that there are more people who were already in the income groups that would have qualified who are coming forward than people being brought in from higher income groups, as some people suggested.

I would make a quick observation that I am very pleased, Mike, to have your testimony for the way in which at least one student has had the wisdom and, I hope, the counseling to package these diverse Federal programs in an effective way. As I look at the numbers, you managed out of a $45,000 investment to package approximately 53 percent of that with federally financed programs and very effectively used at least five different portions of the program. We wish that all of the student aid offices were able to do what they were apparently able to do with your case.

I have just looked at a preliminary memo prepared by the majority and minority staff which they have placed before the committee, and I have a suspicion that Mr. Franzeim and Ms. Vance must have seen it in advance, because you are going to be absolutely surprised when you see how many of the suggestions you have have been incorporated in that draft.

As a matter of fact, even the administration has come around to agreeing with you on some of them. [Laughter.]

I would try to put your mind at ease, Ms. Vance, with respect to your statement on page 2 regarding section 413C(b)(3) and its impact on the nontraditional students. The best information we have is that while that is in law, it is an anachronism and has been recognized as such from the beginning. One of my predecessors as chairman of this committee really envisioned the SEOG program as being some kind of a national merit scholarship, and that is the way it started out. But we sort of rewrote it as we went along. And to the best of our knowledge, no one has been doing this in the country.

In the new draft that the administration has prepared, in the portion on SEOG they have delicately dropped that language from their proposal on what the law has to say, and I think that may put at ease the people who are concerned.

It is also important to note that starting with NASFAA and other similar groups, the feeling that has been growing with the draftsmen in the Office of Education is that the SEOG program ought to be as close to a totally campus-controlled program as we can have, with the absolute maximum safe discretion in the student aid officer to use it.

When I say the absolute maximum safe, we do not want a student aid officer to be able to kill a program, so we have to be a little careful. But the direction everyone seems to be going in is using SEOG, unlike BEOG, which is really, as you said, a rationing system, not a true determination of need.

The real purpose of SEOG ought to be to fill in the inequities that are not recognizable in the national formula, and we would hope that the student aid officers would have much more discretion than they have had in the past to use it for that purpose.

Mr. Franzeim has one, two, three specific recommendations that fall into the category of recommendations that we don't consider to be controversial because everyone seems to agree with you, and hence the statement that it looks like you have seen the majority and minority work as a result of the hearings. That is what they have drawn from our hearings in the past.

So I suggest that this is a good way to be completing these hearings, to find that you have tentatively reached the conclusions that seemed very consistent with the combined wisdom of literally thousands of people who have contributed to the preparation of positions by national organizations.

Obviously, that is going to carry a lot of weight with the committee and the Congress.

Mr. Jeffords.

Mr. **Jeffords**. Thank you, Mr. Chairman.

I would like to make some comments also. First, Marcia, I would like to again thank you for the excellent letter you wrote to us, which we made a part of the record and which helped Congressman Ford and myself, although he certainly took the lead on it, in getting HEW to change its mind on MISAA and their interpretation. Your letter really pointed out the deficiencies in some of the positions they had taken. I just want to stress my appreciation again.

Ms. **Vance**. Thank you.

Mr. **Jeffords**. Ron, also I want to compliment you. Obviously, the Vermont efforts in this area are pretty spectacular. I note, for instance, that you have the Vermont Student Assistance Corp. listed in the phone book under the special numbers section. You have it listed in a number of places for easy access, which I think is not done in many other areas of the country.

I would also like you to comment on what I think you told me last night, the default rate is in your student loan program. I would like to make that a part of the record. I think that is another tribute to you and Vermont.

Mr. **Iverson**. Of our total guarantees since the beginning of the corporation of loans we have purchased, we would be at a 3-percent level. If you look at matured paper, as we do in the business, we would be at 6 percent. If we then took out debt disabilities, those students who have paid us in full, those students who are repaying us in bankruptcies, our default rate, or what we refer to as our loss rate, is 1.2 percent.

I think that is an outstanding record, one the commercial lenders in our State aren't much below that. It says a tremendous amount for the people in Vermont.

Mr. **Jeffords**. It certainly does.

I want to compliment you all on the excellent testimony we have heard. I have just one question, which is an area which gives me some concern and I would like some brief comments. The administration's proposal is to regard all students under the age of 23 as dependents unless those students have dependents of their own, and students over 23 will be considered independent if they have not been claimed on their parents' income tax for the past year.

I would like you to comment as to what impact you see from that proposal, whether you agree with it.

Ms. **Vance**. I would be glad to comment on that. I guess I tend not to like anything that is too cut and dried. I like flexibility and I like some trust on the loan level, so I don't like it. I think using age as a cutoff is really arbitrary. Yes, it has some relationship to reality in that if a person goes directly from high school to college, they will probably be out of undergraduate study by the time they are 22. But beyond that, it has very little relation to what I see happening with people in education.

Personally, if I had to choose one determinant it would be has the person been self-supporting? How has he or she supported himself or herself. I realize that is difficult to check out. It is probably not auditable on things like that, so it doesn't appeal on a national level. But to just use an arbitrary age cutoff or just to use income tax because you have a copy and can check it out, I don't like that myself.

Mr. **Franzeim**. It seems like it is an awfully simplistic solution to a very complex issue. And although in some respects I think it is needed or not "needed" but very frequently "appealing" at high cost institutions. You have students coming in asking will I be eligible for aid if I am self-supporting, if I go self-supporting?

So in that respect, I have seen that frequently in my own institution. I am not saying that this pertains to all institutions, but I think that in many cases, many students make a discretionary decision to become self-supporting. So in that respect, I think in some cases the definition is too easy to become self-supporting, although as far as the administration's proposal is concerned, it to me seems obvious it is too simplistic. I would like to have it examined a little further and see some more statistical data.

I did notice in a publication from HEW they reported that 30 percent of the basic grant self-supporting students were under the age of 23, and that would appear to be a fairly large number.

Mr. **Ford**. Incidentally, we don't agree with that figure. We think it is closer to 20 percent, or approximately 250,000.

Mr. **Jeffords**. Thank you very much. We are all going to leave with a feeling of frustration. I have a number of questions I would like to ask, but unfortunately, we have luncheon engagement, planes to meet and all.

I again want to express my sincerest appreciation for your participation today. We could get into some broad philosophical and legal problems in the area we were discussing on age and arbitrary rules as to when you are independent. It is an area of deep concern to me as far as national policy goes. But unfortunately, time does not allow us to explore it further.

Mr. **Tauke**. I take the hint also. [Laughter.]

In the interest of time, I will forego my questions, but thank you for your testimony. I am glad that you, Ron, received such good help from Iowa. [Laughter.]

Mr. **Jeffords**. Thank you.

Before we close up, Mr. Chairman, I would again like to express my sincerest appreciation for your coming here to Vermont. It is a tremendous opportunity for our people to talk directly to you. You, probably more than anyone else, influence the law in this area, and I certainly appreciate your generosity and your time as you have made, I think, over 30 field trips now around the country in gathering information in hearings. This is a tremendous tribute to you and your willingness to spend the time.

I don't think a lot of people realize what happens during some of these so-called recesses. Many of the congressmen spend practically all of the time traveling around the country gathering information, and it is a tribute to you, your willingness to do that, and certainly we appreciate it very much.

I want to publicly thank you again for your efforts in coming here and also for your time.

Mr. FORD. Thank you very much.

And on behalf of the committee, I want to thank your staff for the excellent job they did in arranging very interesting panelists for us and making the arrangements for this meeting. Obviously, we are indebted to Trinity for having us as their guests. This is the ideal setting for this kind of discussion.

Since this is our last official hearing before the end of the month, I have a series of letters from colleges and universities who are interested in our bill H.R. 3181, the Urban Grant Universities Act, which has now been cosponsored by 67 members of the House, including Congressman Jeffords, and very recently has been introduced in the Senate with 9 Senate sponsors.

I would ask unanimous consent that the recent communications on this from the institutions, be inserted at this point in the record and be made a part of the record for consideration during reauthorization. By reference, the record of the field hearings are also made part of reauthorization hearing record.

Mr. JEFFORDS. No objection, Mr. Chairman.

Also, we have requested and I believe also received from other members of the Vermont educational community written testimony, and I would ask at this time that that be allowed to be submitted and made a part of the record.

Mr. FORD. Without objection, the record will remain open until the end of August, at least, for any contribution that people who have talked today would like to make or those who have not had a chance to talk would like to make, particularly reactions to anything the committee has said or people on the panel.

And we do expect we will be receiving a number of papers in the next couple of weeks generated by the proposals put before us by the administration and by Senator Kennedy which came very late in the process and to which many of the major organizations have not had an opportunity to respond.

So I expect we will receive a good deal of material to keep the staff busy putting it together between now and September.

Once again, on behalf of the committee, thank you one and all for helping this committee provide a record upon which we can base our decisions in trying to develop policy with respect to the reauthorization of the Higher Education Act and, hopefully, persuade the Congress that we are making the right decisions after that is done.

It is not an easy task to contemplate the reauthorization of anything as big and complex as the entire series of acts. When you realize that what we are really trying to do all at one time is package together programs some of which extend back into the fifties or were born in those times under those circumstances, and we are trying to rationalize them with today's circumstances together with programs which are very new, some of them only months old. You can see that it is not really very easy because there are constituencies which have grown up for the programs of the fifties which may not be replicated in the future.

Once you begin to assist someone in a particular way, it is very difficult to withdraw it. But we will do the very best we can to seek that equity which has been mentioned so many times this morning. I know that Congressman Jeffords is going to be a very important part of that process.

I would like the record also to show as we are closing it that I think we probably have put together one of the most comprehensive, if not the best, records in anticipation of reauthorization that has occurred since I have been on the committee in the past 15 years, and that is largely due to the cooperation we have had from the minority party, and particularly from John Buchanan of Alabama, who is the ranking member of this committee, who has gone all over this country on short notice whenever we have had to have a Republican to make us legal.

He has flown out and been there morning after morning, day after day, and as have other members of the majority and minority. But John Buchanan deserves a very special recognition for the amount of work he puts in and the fact that it is possible for us to work in a bipartisan way and accomplish these things.

With that, the committee will stand adjourned.

[Whereupon, at 1:15 p.m., the committee was adjourned.]

REAUTHORIZATION OF THE HIGHER EDUCATION ACT AND RELATED MEASURES

Part 9—The Needs of Adult Learners: The New York Perspective

SATURDAY, SEPTEMBER 8, 1979

House of Representatives,
Subcommittee on Postsecondary Education,
Committee on Education and Labor,
Dobbs Ferry, N.Y.

The subcommittee met, pursuant to call, at Mercy College, 555 Broadway, Hon. Mario Biaggi presiding.

Members present: Representatives Biaggi, Peyser, Weiss, and Ratchford.

Staff present: Thomas R. Wolanin, staff director.

Mr. Peyser. Before we start, I want to take the opportunity to welcome our chairman, Congressman Mario Biaggi, who will be chairing the hearing this morning, to the 23d Congressional District, and Congressman Ratchford, who is starting out testifying this morning, but who will be joining us here, and also Congressman Weiss who will be here in just a few minutes.

It is an opportunity and a pleasure for us in the district here and the immediate area to have the distinguished Members of Congress and the distinguished panelists who are going to be here this morning to testify.

Mario, we are delighted to have you up here in Westchester, and we appreciate your coming.

Mr. Biaggi. Thank you very much.

Mercy College, it was not too long ago that I was the recipient of an honorary doctorate, and I enjoy coming to visit this campus and learn about its burdgeoning experiences and its heartening experiences.

As the ranking New York State Member of the House Postsecondary Education Subcommittee, it gives me great pleasure to be at this meeting at Mercy College. Our focus today is the adult learner, or what has recently been called the "nontraditional student." It is most appropriate that we conduct this hearing at Mercy College, which has distinguished itself in terms of being an open college—offering opportunities for students of all ages and walks of life.

I made reference to the fact that I was awarded an honorary degree several weeks ago. The award had a special meaning for me, and especially at this location because I guess I would have to be classified as one of the nontraditional students, having reentered the academic exercise at the age of 43, after 23-year career with the New York City Police Department.

The past 2 years have been very important ones in terms of higher education in Congress. The 1978 Middle Income Student Assistance Act became law. The bill originated in the subcommittee and I was pleased to be an original cosponsor. Notwithstanding all of the opposition that seemed to be present when it was first initiated, in its simplest form, the act makes some form of Federal assistance available to any American citizen who wants to attend college, university, vocational, or technical school.

In July, the House and Senate passed and the President signed into law emergency legislation which averted a crisis in the student loan market. The bill raised the special allowance rate paid to commercial lending institutions who market guaranteed student loans. Unless it was raised, fears were expressed that millions of students would be unable to obtain loans to attend classes this fall. A realistic assessment is that it was more than fear, it was a practical and real problem. Absent that legislation, there would have been a very substantial diminution in the amounts of money available for students.

Just this past Thursday, H.R. 5192 was introduced by the chairman of the subcommittee, Mr. Ford. The bill provides for the reauthorization of the Higher Education Act of 1965. I have joined as a cosponsor of this measure. Again our timing today could not be better. Our subcommittee begins consideration of this bill on Thursday of next week. Therefore, the recommendations we receive today will have a direct bearing on the legislative process.

In its 14-year history, the Higher Education Act has been responsible for providing opportunities for millions of students to attend colleges and universities, and this is at the very core of what we wish to discuss today. The Higher Education Act to be truly responsive to the educational needs of this Nation, must not be static. It must adapt itself to the changing demographics of the American student population.

We know that adults are returning to school in record numbers. In New York State, one of every three postsecondary degree students and the majority of our part-time students—about two of every three—are 25 years of age or older. Despite this fact, we are concerned that although adult students represent nearly 40 percent of the total student population in New York, they receive less than 6 percent of the $529 million in Federal student aid and only about 1 percent of the $206 million in New York State financial aid, according to the most recent figures.

As we begin deliberations on the Higher Education Act next week, the New York members of the subcommittee want to insure that the needs of adult learners are fully addressed during the reauthorization of this major piece of education legislation. Current demographic trends indicate that the sharpest increases in New York State population in the coming decade will be in the 30- to 55-age range.

In anticipation of these trends, coupled with the increased interest and ability of adults to pursue degree programs, we want to insure that our Federal programs are aware of these trends and are shaped accordingly.

The barriers to access by adult learners to higher education are both real as well as indirect. Students must be considered "eligible," first, to receive financial aid. One of the most severe access problems of adults is the complete exclusion of part-time student status from State financial aid programs. This excludes two out of every three adults in New York State.

Of the financial assistance awarded part time students in New York State, 98.5 percent is federal aid, which mandates that students must be in attendance ½ time or more. This excludes 55,000 adult students who cannot attend at least half-time from any kind of student financial aid.

A second barrier to access by adult learners in seeking to pursue a postsecondary education is that many adults are enrolled in programs which are not necessarily degree-oriented, but rather serve to retrain them for new careers or update current job skills for career advancement. This is not something novel since it is estimated that the average worker changes jobs six to seven times in the course of a lifetime and changes occupations two to three times.

New York State is estimated to have 435,000 adult learners enrolled in such programs. This group exceeds the entire number of adult undergraduates in the State, and while some are assisted in their tuition costs by employers, not all may take advantage since they must make initial cash outlays themselves and often cannot afford to.

Another problem which keeps adults from degree programs is the lack of attention by many colleges and universities to the special needs and problems of adult learners.

Transportation is often difficult and required degree courses do not always meet at different times so that many adults, who are part-time students, often have difficulty meeting educational requirements because of the outside demands from families and jobs.

Part-time students are not simply students with lighter loads. This is often a simplistic observation. They are very often older, with real demands on their time while competing equally on an academic level with their full-time counterparts.

In the passage of the Middle Income Student Assistance Act last year, Congress made important steps in helping to address the special problems of adult learners by providing for equal treatment of assets for dependent and independent students in determining the expected family contributions. This was an important step in recognizing the special needs of adults, who are almost always independent students, in bringing them into the Federal financial aid arena.

Finally, there are many adult learners who are willing and able to return to school, but have difficulty locating information about degree programs as well as information on how they can finance their education. The problem of access to accurate and complete educational information is a large one for an adult who has been out of school for quite some time.

I have long been concerned with the accessible and accurate financial aid, as witnessed in my bill, H.R. 3513, on student financial aid data banks. I am pleased to note that we have included a provision in the higher education bill whereby such financial aid data banks can be developed in States which have no central information centers, as well as expanded in States which currently have begun such programs.

This will hopefully be another step toward bringing adults more fully and clearly into the education process by helping them to understand both the grant and loan programs which can help them finance their education.

We are here today to discuss these problems as well as the many others that are unique to adult learners. Our major concern is to provide what has been called "the missing link" to connect the needs and interests of adult learners with the educational resources they need for the vehicle to fulfill their educational needs.

We are a learning society and we must work to insure that we remain so. Lifelong learning is not a new phenomenon, but an important and integral part of this learning society. Adults should no longer be considered "second class students," but must be recognized as an integral and important part of our educational system.

The quality of life in a society can only be enhanced by insuring that the society remains a viable unit. Increased educational opportunities, combined with a real-life experience, makes the adult learner an invaluable part of this unit.

Congressman Peyser?

Mr. PEYSER. Thank you, Mr. Chairman.

I am simply going to make a very brief statement here because we do want to get underway with the panelists.

I think the important thing for us today, and I hope we are going to get from the panelists participating, is as much in the area of specific recommendations as we can get. In other words, the type of things that give us an immediate handle on something that we can both either question you on, or accept and go back and try in this next week or 2 weeks, when we are going to be addressing this legislation in markup, as the Congressman has indicated, to use these issues that you are going to put forward in front of us.

I think we have recognized, and endorse completely what Congressman Biaggi has just set forth, the concern that we all have, and we want to do something. We are at a point now when, I think, the Congress wants to do something, and in turn the States and other educational institutions are going to have to respond as well. We find that this should be a very thoughtful opportunity for us and one that is of the utmost importance for the many, many thousands of adults who are looking for more education and additional education, and we believe should be entitled to it.

I am looking forward to this hearing, Mr. Chairman. I yield back my time.

Mr. BIAGGI. We have three panels of witnesses today. Each of the panelists will testify. After the entire panel has completed giving testimony, we will get into the question and answer period.

Our first witness today will be a member of this committee, Congressman William R. Ratchford of Connecticut.

STATEMENT OF HON. WILLIAM R. RATCHFORD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

Mr. RATCHFORD. Thank you very much, Congressman Biaggi.

First of all: I think all of us want to thank Mercy College for opening up its facility. It is a gorgeous facility, particularly with the location right here on the river. I know many of my constituents attend this school because I am from Danbury, Conn.—a neighbor, if you will—and some people say that my hometown is in the State of New York because I am right on the New York border. I appreciate joining my neighbors in this hearing.

Second: I think something needs to be said that the three gentlemen from New York would not say, and that is that no State has contributed more to the field of legislation in the area of higher education at the Federal level than the State of New York.

We look at the panel here, comprised of Chairman Biaggi, who has involved himself actively in the area of higher education generally, but specifically the concerns of the nontraditional students, especially the older student who is looking for an opportunity and assistance; Congressman Peyser, who is on the floor of the House every day, speaking for the needs of his district, and speaking often of the needs of higher education; and Congressman Ted Weiss, who has just joined us; 3 of the 11 majority members of the subcommittee are from the State of New York. To me, that says something—it says that New York cares about the quality of education in this country.

Finally: Before reading a brief statement into the record, I would observe for you that this committee, under the direction of Congressman Bill Ford of Michigan, has gone out of its way to hear from the public. This committee has held 33 hearings on the subject of the Reauthorization of the Higher Education Act. Six of these hearings have been around the country, including in my own State. The intent, obviously, under Chairman Ford is to provide an opportunity for people to participate, for people to comment, and from that to develop a Reauthorization of the Higher Education Act that is meaningful, that is focused, that is targeted, but that expresses the will of the people in this country.

It is appropriate that the final hearing on the Reauthorization of the Higher Education Act should be held in New York, with New York's concern with the subject of higher education, and that it be on the subject of the nontraditional student.

With that in mind, I would now like to read some comments about the nontraditional student.

It seems especially appropriate that we conclude subcommittee hearings on the reauthorization today by returning to title I, and specifically to the special educational needs of adults. In so doing, we turn our attention to the future of higher education in America, for in the face of declining birth rates and enrollments, the very survival of institutions of higher education in the 1980's will depend on their ability to respond to the needs of unserved adult populations—the housewife in search of a career; we know what a meaningful situation this is for the person returning to school after raising a family; the factory worker attempting to bolster his skills; the older individual preparing for or coping with retirement.

I am a former commissioner on aging in the State of Connecticut and I can say to you that without title I, many people in retirement would not have an opportunity to enter postsecondary education or feel that higher education is meaningful to them. If we are going to continue to develop support for higher education, much of it must come from the retired person who today feels denied access to the system. I hope that a redirected title I will see to it that access is clear and its support will be forthcoming in this important sector of society.

It is also in recognition of this unavoidable crisis in higher education that I have sponsored the Lifelong and Continuing Education Act of 1979, designed specifically to target Federal assistance under title I to programs designed for adults whose educational needs, unfortunately, have been inadequately served.

The case for a major revision of title I is remarkably clear. The existing law, as the educators especially know, is a confused collection of programs and purposes, lacking any clear policy focus, and facing increasingly difficult prospects in the appropriation process. In fact, part B of title I has never been funded by the Congress, and appropriations for part A of existing law have been slashed from $18 million in fiscal year 1978 to a meager $10 million for the entire country in fiscal year 1980.

In the absence of a clear and compelling focus, the States, the institutions, and the unserved adults have all become losers. The reauthorization finally gives us the opportunity to reverse this sad decline.

I am convinced that the sense in which the existing title I is a haphazard collection of State discretionary programs lies at the very heart of our appropriation difficulties. The Congress simply is in no mood to fund a title which spans the full range of social service, planning, and education functions, dispersing minute grants with no measurable impact on identifiable national needs and goals.

For this reason, if we are serious about insuring future appropriation of this title, I strongly believe that we must move away from this diverse approach to a sharp and targeted focus, a focus that guarantees access to the nontraditional students, the students about whom Mario Biaggi spoke in his opening statement.

Let me add a word of caution here. There is always the tendency in trying to satisfy everybody, and if indeed we try to satisfy everybody in this title, we may end up satisfying nobody. That has been the rocky path of title I in the past, a smattering here and a smattering there, one year funding here, and no funding in the folloing year, and the result has been a lack of focus on the students who need focus and acceess so badly.

Throughout the present act—in title I, Continuing Education and Community Service; title VII, Construction; title X, Community Colleges—we find programs of general assistance to States and institutions which have never been funded because they lack focus and they are not tied to pressing national needs.

In our shared commitment to higher education, and in our efforts to satisfy the pressure groups within higher education, we must not accept unfocused "something for everyone" proposals, which quickly turn into unfunded skeletons of Federal education policy.

If there is any lesson in proposition 13, it is that programs must be precise, must be well defined, must be well thought out, and must be targeted, or funding simply will not follow.

Mr. Chairman, thus far I have dwelt on the strategic debate on title I, on how we can most effectively develop congressional support for a title which is now floundering.

While this appropriations concern must be a major element of any title I revision, we are also faced with the fundamental policy question of whether or not the Congress will make a commitment to improved access for the nontraditional student.

I will refrain from documenting the many ways in which adults are now barred from higher education because we will have testimony from other members of the panel, but clearly, this is an issue in the continuing debate over higher education. This is especially so in light of the limited funds available, and I strongly believe that title I resources must now be targeted. As a nation, we must use these funds as a kindling for a much larger reorientation of educational programs and priorities to meet the special needs of adults.

In closing, I look ahead to the approaching crisis in higher education with trepidation. Facing skyrocketing costs and declining enrollments, States and institutions are increasingly turning to the Federal Government for support. Yet their combined appeals come at a time when the vast majority of the American people feel shut out and removed from higher education, and hardly sense a personal stake in Federal support for educational programs, which seldom meet their unique needs.

Certainly, the Lifelong and Continuing Education Act of 1979 does not offer a complete solution to this dilemma. It does offer a strong focus on those unserved adults, broadening the constituency of higher education while setting a new direction for future goals and enrollments.

The only alternative lies in the expanded Federal subsidies and crumbling political support, which will spell disaster for higher education in America.

Thank you, and I look forward to participating with the panel.

[The prepared statement of Mr. Ratchford follows:]

PREPARED STATEMENT OF HON. WILLIAM R. RATCHFORD, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

TESTIMONY ON TITLE I OF HIGHER EDUCATION ACT, SUBCOMMITTEE ON POSTSECONDARY EDUCATION, MERCY COLLEGE, DOBBS FERRY, N.Y., SEPTEMBER 8, 1979

Mr. Chairman, it is with great enthusiasm that I come here to Mercy College to testify before my colleagues on the Subcommittee on Postsecondary Education. It is a particular honor to appear before the distinguished gentlemen from the State of New York, who collectively have offered such fine leadership in the field of higher education in recent years. The pleasure of coming to New York is only heightened by this final opportunity to discuss the special educational needs of adults, whose access to higher education has become a great personal concern and commitment during my short tenure in the 96th Congress.

I must comment at the outset that it seems odd to begin the last of a great many subcommittee hearings on the reauthorization of the Higher Education Act in the absence of our senior colleague from Michigan, who has so ably and conscientiously guided the reauthorization process in his role as chairman of the subcommittee. With almost tireless dedication, Bill Ford has traveled throughout the country, reaching far beyond the confines of Washington, D.C., with an ambitious series of field hearings, including one in my own district in Connecticut last April. The chairman's efforts typify the openness with which he has overseen the reauthorization process, and his fine leadership is certain to have a major impact on the direction and quality of federal policy in higher education for years to come.

It seems especially appropriate that we conclude subcommittee hearings on the reauthorization today by returning to Title I, and specifially to the special educational needs of adults. In so doing, we turn our attention to the future of higher education in America, for in the face of declining birth rates and enrollment the very survival of institutions of higher education in the 1980's will depend on their ability to respond to the needs of unserved adult populations—the housewife in search of a career, the factory worker attempting to bolster his skills, the older individual preparing for or coping with retirement. It is also in recognition of this unavoidable crisis in higher education that I have sponsored the Lfelong and Continuing Education Act of 1979, to target federal assistance under Title I to programs designed for adults whose educational needs have been inadequately served.

The case for a major revision of Title I is remarkably clear, the existing law is a confused collection of programs and purposes, lacking any clear policy focus and facing increasingly difficult prospects in the appropriations process. In fact, Part B of Title I has never been funded by the Congress, and appropriations for Part A of existing law have been slashed from $18 million in fiscal year 1978 to a meager $10 million for the entire country in fiscal year 1980. In the absence of a clear and compelling focus, the States, the institutions, and the unserved adults have all become losers. The reauthorization finally gives us the opportunity to reverse this sad decline.

I am convinced that the sense in which the existing Title I is a haphazard collection of State discretionary programs lies at the very heart of our appropriations difficulties. The Congress simply is in no mood to fund a title which spans the full range of social service, planning, and education functions, dispersing minute grants with no measurable impact on identifiable national needs and coals. For this reason, if we are serious about ensuring future appropriations for Title I, I strongly believe that we must move away from a consolidation of diverse State programs and toward a sharp focus which responds to a recognized national need and priority—that of improved access to higher education for adults.

Let me add a word of caution here for all of my distinguished colleagues on the subcommittee. If there is one undeniable lesson in the history of the Higher Education Act, it is that compromises to appease the special interests of narrow constituencies—whether States, institutions, or others—are shortsighted and self-defeating at best. Throughout the present act—in Title I (Continuing Education and Community Service), Title VII (Construction), Title X (Community Colleges)—we find programs of general assistance to States and institutions which have never been funded because they lack focus and they are not tied to pressing national needs.

In our shared commitment to higher education, and in our efforts to satisfy the pressure groups within higher education, we must not accept unfocused, "something for everyone" proposals which quickly turn into unfunded skeletons of federal education policy. In an era of Proposition 13, we must respond to the need for fiscal accountability with highly targeted and carefully drafted programs. The student aid programs are a prime example of a federal education initiative well supported by the Congress, explicitly because it addresses goals of access and equal opportunity which are important and appropriate federal objectives. The legislation which I have introduced attempts to shape this same kind of effective focus in Title I, addressing the programmatic barriers to access and equal opportunity which prevent adults from participating in higher education.

Mr. Chairman, thus far I have dwelt on the strategic debate on Title I, on how we can most effectively develop congressional support for a title which is now floundering. While this appropriations concern must be a major element of any Title I revision, we are also faced with the fundamental policy question of whether or not the Congress will make a commitment to improved educational access for adults. I will refrain from documenting the many ways in which adults are now barred from higher education opportunities knowing that some of my fellow panelists this morning will discuss this access issue in greater detail. However, especially in light of the limited funding which will be available, I strongly believe that Title I resources must be highly targeted, and that as a nation we must use these funds as kindling for a much larger reorientation of educational programs and priorities to meet the special needs of adults.

In closing, I look ahead to the approaching crisis in higher education with trepidation. Facing skyrocketing costs and declining enrollments, both states and institutions are increasingly turning to the Federal Government for financial support. Yet their combined appeals come at a time when the vast majority of the American people feel shut out and removed from higher education, and hardly sense a personal stake in federal support for educational programs which seldom meet their unique needs. Certainly, the Lifelong and Continuing Education Act of 1979 does not offer a complete solution to this dilemma. It does offer a strong focus on those unserved adults, broadening the constituency of higher education while setting a new direction for future goals and enrollments. The only alternative lies in the expanded federal subsidies and crumbling political support which will spell disaster for higher education in America.

Mr. Biaggi. Thank you.

Our next panelist is Ms. Pamela Christoffel, research and development associate, the College Board.

STATEMENT OF PAMELA H. CHRISTOFFEL, RESEARCH AND DEVELOPMENT ASSOCIATE, THE COLLEGE BOARD

Ms. Christoffel. Mr. Chairman, I am very happy to be here today to testify on the Federal role in support of adult learning, as the subcommittee continues its deliberations on the reauthorization of the Higher Education Act.

It is a special pleasure to appear here before you at Mercy College, an institution in the forefront of colleges and universities seeking to provide quality education for adults in new and meaningful ways.

The College Board, since its inception in 1900, has addressed problems relating to access and transition to education beyond high school, and has been an advocate for equal opportunity to postsecondary education in the country.

Through our future directions for a learning society program, funded by the Exxon education foundation, we have been conducting a number of efforts to project future trends of adult learning, to disseminate information on the needs of adult learners and providers which serve them, to promote improved public policy on adult learning, and to establish services to improve public adult access and transition.

We are here today because we are particularly concerned that the focus on unserved adults, which was an integral part of Mr. Ratchford's legislation, H.R. 4531, has been lost in the subcommittee draft. I would like to speak to that throughout the rest of my testimony.

Over the past months of hearings, members of the subcommittee have often heard the statistics on the growth of the learning society. Adults are flocking to American colleges and universities by the millions and many more are seeking postsecondary education in a wide variety of other settings: On the job; in libraries and museums; and in community centers.

In fact, adult participation in formal education is increasing more than twice as fast as the adult population itself. Such facts would seem to paint a rosy picture for the next decade facing postsecondary education. What then is the problem?

The problem is that such figures, while accurate, tend to overshadow what really is going on in postsecondary education today. We know that adults now participating in postsecondary education tend to be white, young, already well educated, and affluent. Disadvantaged adults who could most benefit from postsecondary education and who tend to be from minority backgrounds, or poor, or older, or less well educated, are not now participating.

These persons frequently are dependent to some degree on public support for themselves and their families and are likely to continue or become more dependent without some significant change in their lives or skills. Educational opportunities can help move these people out of their cycle of dependence.

Yet, the situation is getting worse, not better. Older adults, living on reduced incomes and so much in need of education in order to cope with today's complexities, are not participating. Growth in part-time adult education by blacks is not keeping pace with overall black adult population growth, while similar data for whites show substantial gains. The attached table, derived by K. Patricia Cross of the Educational Testing Service using NCES data, shows the problem clearly.

At the same time, the difficulties facing higher education in the next decade are well known and quickly summarized. At the top of the list is the diminishing number of people in the age group from which colleges have traditionally drawn their students. The size of the group 15 to 24 years old will decline by 65 percent nationwide over the next decade.

I note from the New York Regents report that the decline will be even greater in New York State where the shifting age distribution is compounded by an overall population decline due to emigration.

In addition to being older and less numerous, the New York State population is also forecast to include increasing proportions of minorities, the disadvantaged and groups whose native language is not English. In other words, exactly those groups who now have the lowest rates of college participation.

These are serious and challenging demographics, but what do they mean for the reauthorization of the Higher Education Act now before this subcommittee?

Equal educational opportunity is the cornerstone upon which the Higher Education Act has been built over the years since 1965. Billions of dollars have been appropriated to further this goal for youth through such efforts as the student aid provisions, the TRIO programs and aid for developing institutions.

This subcommittee has the unique opportunity to shape definitively the goal of equal education opportunity to adults. Legislation can be enacted which recognizes the lost generations who never enjoyed the benefits of postsecondary education, the adults who are black, or elderly, or poor, or uneducated, by extending educational access opportunities to these unserved adults.

Language to meet the needs of adult learners who lack the advantages and training could be entered in all appropriate titles of the act. I know, for example, that you are considering liberalizing benefits under student aid programs for independent and less-than-full-time students, many of whom are adults.

Improvements could be made in the TRIO programs including the Educational Opportunity Center program, which recognizes the disadvantaged adult's need for support services. Also, the Educational Information Centers program implemented in each State can be an invaluable resource for adults whose educational needs have been inadequately served, particularly if it is funded at a more reasonable level.

All of our research at the College Board shows that the lack of information about educational opportunities constitutes one of the greatest barriers to such adults. The New York State Educational Information Center, I might add, has one of the most innovative and extensive networks in the country and I know Dr. Kurland will tell you more about operations.

But it is through revision of title I that this committee can clearly state its commitment to extension of equal education opportunities for adults. Title I can assert the fundamental goal of federal policy in the area of lifelong learning and continuing education to give assurances that those adults most in need of education will have such opportunities available.

Title I can foster information, assessment and counseling services for unserved adults. Title I can promote innovation and replicable activites serving such adults. The title should recognize that States, institutions of higher education, other educational providers such as libraries, community senior centers, unions, business, and industry as well as the Federal Government, all have unique and important roles to play in providing educational opportunities for disadvantaged adults.

These concepts, based firmly on the goal of extending equal educational opportunity to adults most in need, are clearly embodied in Congressman Ratchford's bill to amend title I, H.R. 4531. We are deeply concerned, however, that this legislation as redrawn for subcommittee markup next week has lost the essential focus on access programs for disadvantaged adults. In times of fiscal constraints, Federal support must concentrate on only the most crucial of issues, something for everyone should not be the watchword of the day.

Passage of title I as drafted b Congressman Ratchford would indicate this committee's concern for and commitment to underserved adults, the overlooked generations who now need to enjoy the economic benefits postsecondary education can bring to them. Such adults need better educational information.

Blacks, the elderly, displaced homemakers, the unemployed, all can benefit from such educational services as career skills and educational assessment. Innovative programs sponsored by unions and private employers can be tested.

We know that disadvantaged adults, long neglected by our postsecondary education system, will only be reached by relevant programs and services, offered in their homes, via television, in their own communities, on the job, or at various times convenient to those working, or those with home responsibilities. Title I, as revised, can provide the seed money to test ways to reach these underserved adults most effectively.

The Higher Education Act has always supported the goal of equal opportunity for the young. It is time to extend that worthwhile goal to all learners regardless of age. A sharpened focus under title I on lifelong learning opportunities for adults who lack education would be an important step toward such a goal.

Thank you.

Mr. BIAGGI. Thank you.

Dr. Norman Kurland, director, adult learning services, New York State Department of Education.

I might add that we will enter your statements in their entirety in the record. If you choose, you may encapsule, or summarize. That is your option.

STATEMENT OF NORMAN KURLAND, DIRECTOR, ADULT LEARNING SERVICES, NEW YORK STATE DEPARTMENT OF EDUCATION

Mr. KURLAND. Thank you, Congressman Biaggi, and members of the committee.

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I am Norman Kurland, executive director of the Adult Learning Services of the New York State Education Department. I am very pleased to accept your invitation to speak about the educational needs of adult learners, and present the position of the members the State board of regents and the commissioner of education. But I am particularly pleased that the Congressmen from New York have taken the initiative to have this hearing in New York State.

As Congressman Ratchford has so noted, New York State has made a strong effort throughout to meet the needs of all persons in our society for postsecondary education, and to attend particularly to the needs of adult learners.

Mr. Biaggi. I might add, Dr. Kurland, that we had planned to have this hearing in New York State, but I had planned to have this hearing right at Mercy College's facility in my district, which is two blocks away from my office. But I was talked out of it by my good friend Peter Peyser, who is very persuasive and convinced me otherwise.

Mr. Kurland. I think that it is particularly symbolic that we here at Mercy College, which has made particular efforts to meet the needs of adult students, in a county that has so many adult students, and such a broad range of providers of services to adults, which reemphasizes and reinforces the importance of having effective planning and coordination to assure that the resources so richly available to communities like Westchester County are adequately and effectively made available to people of the county, the State, and the neighboring States and neighboring communities.

We strongly endorse and are pleased that this hearing is here, and that it is focused on the adult learners.

As an indication of the kinds of services that New York State has tried to provide, we have put together a publication which you all have in your materials, which describes the broad range of offerings for adults in New York State. We also provided Congressman Peyser with a set of documents which we hope will be helpful to you and your colleagues, and members of the staff, in defining the particular needs and the particular problems that adult learners face, and some of the solutions that are quite feasible to meet these needs.

You probably are familiar with the publication the department has provided you on Federal legislation in education in New York State, which spells out the very concrete recommendations with respect to the legislation that you are considering. The staff has worked very hard to provide you with suggestions of ways in which certain problems we are concerned with can be met.

You have heard from Congressman Biaggi and Ms. Christoffel about some of the particular needs of adult students. I have also listed them in my statement, and I will not repeat them. It has already been said and we know that adults do face financial barriers to participation in educational opportunities at all levels.

I was pleased to learn that in the committee draft a number of changes had-been made along the lines of that the regents have recommended to assure equity in the treatment of adult students, and the regents hope that those provisions will remain in the legislation as it goes through the authorization process. Then, that the appropriations will be made that will support those actions on the part of the subcommittee.

On the institutional side of the question of meeting the needs of adult students, there is no question that many institutions are ready and eager to serve adult students. This institution is one example. Some because the basic commitment to serve learners of all ages, and some because they do see services to adults as the path to stability and even survival in the difficult times ahead, and providing service to adults, particularly to adults who have not had fully successful education when they were young is not an easy task.

Institutions need resources to prepare to serve adult students. They need to define new programs and new delivery arrangements. They need to retrain staff to work with adult students, and they need resources particularly to meet the special needs of some adults who will only fully benefit if they have counseling, remedial, and other support services.

The legislation that has been drafted and the discussion that there has been on it put the regents in a bit of a quandary. They are very much in support of the approaches in the committee's draft of title I, which provides funds for States to help institutions in this regard. But we are also very supportive by the direction of Congressman Ratchford's bill which would focus and target on underserved students.

The regents have in their proposal recommended an approach that would be a revision of the existing title III program, which would consolidate a number of programs focused on disadvantaged students of all ages—disadvantaged both economically and educationally.

The title would assist institutions that serve particularly this population in providing programs focused on the needs of those eligible students. Perhaps some language could be worked in the markup to accommodate both of these very important areas.

There is need to help States to better plan and coordinate the provision of services to these students of all ages during times of very strained resources, and to focus resources on this very important segment of the population, the adult population, which without the focus may not get the attention that it deserves. There is going to be a very serious struggle for resources.

Some might ask why institutions cannot cover the costs of services out of tuition—particularly since Congress and some States have been providing increasingly large funds for student financial aid. The problem is that the cost of serving those students is higher, and to solve this problem there are several alternatives: One can charge higher tuition to those who require greater services, and I don't think that anyone would want to do that, or one could spread the cost over all students, which creates increased and new problems with regard to financial aid; we can target programs which can help institutions making a special effort to serve those populations effectively, so that access will not mean just access to a revolving door, but an opportunity for real education and real results out of the experiences they have in those institutions.

Because we know that the resources are going to be very scarce in the eighties, we have strongly endorsed the provisions in the Higher Education Act which provide for planning coordination and outreach programs.

Educational services to adults are provided by a wide array of agencies, including public schools, 2- and 4-year colleges, proprietary schools and community organizations, libraries, museums and on and on. The States have a primary role in insuring that these resources are used effectively.

In addition, legislation affecting adult learners is scattered throughout Federal legislation in over 300 different programs. Incidentally, we would like to point out that one way to promote coordination among Federal programs would be to permit States to match the Higher Education Act title I funds with CETA and other Federal funds rather than requiring only non-Federal funds matching. This would be a powerful way to force the more effective coordination among programs, which often go their separate ways, and often serving the same populations with programs.

Mr. BIAGGI. In a different fashion. You will not get those moneys into this area, because those moneys are earmarked for other considerations.

Mr. KURLAND. There are places where the two purposes are not quite so far apart. An individual who may be getting a job training program, may also have academic educational needs, might be helped if those people were forced to coordinate their efforts.

Mr. BIAGGI. If you would give the committee a list of those programs that relate that closely, we would appreciate it.

Mr. KURLAND. We will be happy to provide that.

Mr. BIAGGI. Detailed in substantial form so that we can make the case.

Mr. KURLAND. We will be glad to give that to you.

Mr. BIAGGI. We will see what is happening. We all want what we want, but we don't have the wherewithal.

Mr. KURLAND. This is going to be the problem. So many institutions are going to be restricted. It may be that pulling from different sources, we may get more impact.

Mr. BIAGGI. You will not be asking for additional funds. You will be using moneys that you have in a better fashion, which is most salable from our point of view.

Mr. KURLAND. The targeted jobs credit program supplied by Congress last year provides vouchers for low income and other individuals who are employed, where the employer gets a tax credit against their taxes. That turns out to be a very powerful way to help a lot of the students that we are concerned about here because they, then, can get jobs much more readily than they would otherwise, which helps the economy, helps them, and with the money they earn, they can afford the expense of education.

For example, there is a limit of below age 19 for participation in cooperative education programs. If that age limit were raised, we would get more students into cooperative education programs, and use that source of funding and enable many more adults to participate in educational opportunities.

So there is a way, by combining several programs, to get more impact. As we have already indicated to you, there are many ways that the State office is serving adults by being able to plan and coordinate what programs are provided, and supported by Federal funds and State funds, we think we can get a much more effective use of all of the funds that are available.

There are a number of programs in New York State that are targeted on serving those adults who have difficulty being served by existing traditional programs, because geographical locations, times, and so on, make it very difficult for them to participate in educational opportunities.

We also recognize that business, industry, unions, community agencies, and many others are providing educational opportunity to adults. One of the things we stress is that when people get their education, they ought to be transferable, so that people can build their educational experiences toward, if you will, a marketable end, a degree or credential.

Our department, as I am sure you know, has been working on programs to assure that through learning that people undertake, wherever it may be, they are able to put it together to earn degrees, to earn credentials and credit. We hope that the materials we have provided in the regents' comments will be helpful to the committee.

We will be available to answer all of your questions. Thank you very much.

Mr. BIAGGI. Thank you, Doctor.

Before we go on to our next witness on the panel, I would like to acknowledge the presence of Congressman Ted Weiss, who is one of the most valued members of our committee.

Mr. WEISS. Thank you, Mr. Chairman. I want to express my gratitude to you for having convened these hearings, and Mr. Peyser for the leadership role that he took in assuring that these hearings were held at the most opportune time, since the legislation will go to markup during the latter part of next week.

I also would like to thank Mercy College for making their facilities available.

Obviously, there is no subject more important for Congress or vital for the people of this country than what happens to the educational opportunities of our people. I would like to express my gratitude to everyone for their contribution in making our work easier. Sometimes there is a feeling rampant in the House, I think, more than any place else that we have all the expertise, and of course we don't. You have the expertise, those of you who are dealing with the subject on a day in and day out basis. It is only by letting us pick your brains, and taking advantage of your knowledge that we can come up with a work product that makes sense.

Thank you, sir.

[The prepared statement of Mr. Kurland follows:]

PREPARED STATEMENT OF NORMAN D. KURLAND, EXECUTIVE DIRECTOR, ADULT LEARNING SERVICES, NEW YORK STATE EDUCATION DEPARTMENT, ALBANY, N.Y.

I am Norman D. Kurland, Executive Director, Adult Learning Services in the New York State Education Department. I am pleased to accept your invitation to speak about the educational needs of adult learners and to present the positions of the New York State Board of Regents and the Commissioner of Education. Adults constitute a large and growing part of the learner population in New York State and across the nation. The two major myths that we have to dispel are:

First, the myth that adults who want to be students can and should pay for their own education.

Second, the myth that institutions that have been serving traditional, younger students can switch to services for adults with no difficulty and little assistance.

The facts are: Large numbers of adults would like to undertake formal learning but are barred from doing so either by lack of funds or by the unavailability of programs at times and places that fit their needs or by the inappropriateness of programs that are offered.

In the attached paper we give the evidence that access to participation in learning opportunities is barred to some adults because of financial considerations, and I gave similar evidence in testimony before another panel of this Subcommittee on aid for less than half-time students.

These documents show that the cost of education is consistently reported as a major barrier by would-be adult students; that part-time students generally have lower family income and are more affected by changes in tuition than are full-time students; and that the "typical" adult participant is relatively affluent, relatively well-educated, employed and white.

Further, while participation rates are increasing among adult learners with family incomes over $10,000, the rates are declining among minorities and adults with income of less than $10,000. Women returning to school after raising families have particular difficulty in meeting the costs of postsecondary education.

In short financial aid barriers do stand in the way of many adults who wish to participate more fully in our society through the vehicle of education. I am sure that this view will be confirmed by the student panel today.

On the institutional side, there is no question that many institutions are ready and eager to serve adult students—some because of a basic commitment to serve learners of all ages—some because they see services to adults as the path to stability or even survival in the difficult times ahead. But providing services to adults who have not had fully successful encounters with education when they were young, is not an easy task. Institutions need resources to prepare to serve adult students—they need to design new programs and new delivery arrangements, they need to retrain staff and faculty to work with adults—and they need to meet the special needs of some adults who will only fully benefit if they have counseling, remedial and other support services.

For this reason the Regents recommend the consolidation of aid to institutions now authorized by Title III and by Title IV Part A, Subparts 4 and 6, into a new title that should "focus aid to institutions enrolling substantial numbers of students of all ages who are both educationally and economically disadvantaged. The new title would assist such institutions in serving the present academic and cultural needs of these students and in planning to adapt to meet their future needs.

Some might ask why institutions cannot cover the costs of services out of tuition—particularly since Congress and some states have been providing increasingly large funds for student financial aid. The answer, is that, unless the student who needs more services is charged a higher tuition than others, or unless the tuition for all students is raised, (which itself would create new pressures for additional financial aid), tuition alone cannot help meet the needs of many of the new adult learners. You will hear from the third panel about what institutions need and how they would use increased funds.

We all know that the 1980's are going to be years of scarce resources for education. Much as you and your colleagues in Congress may wish to help adult learners, you will not be able to do all that is required. We must therefore, assure maximum efficiency in the use of resources. For that reason, the Regents endorse provisions of the Higher Education Act and would foster the better use of resources: provisions for State planning, coordination and outreach programs.

Educational services to adults are provided by a wide array of agencies, including public schools, two- and four-year colleges, proprietary schools and community organizations. The states have a primary role in insuring that these resources are used effectively. In addition, legislation affecting adult learners is scattered throughout federal legislation in over 300 different programs. (Incidentally, one way to promote coordination among federal programs would be to permit states to match HEA Title I funds with CETA and other federal funds rather than requiring only non-federal fund matching.)

Planning and coordination to achieve effective use of these resources is a key state role, yet most states are not putting the resources needed into comprehensive planning for adult services. The federal government has a large and growing stake in effective planning in this area and should assist states to do this planning and provide the funds for it.

The second program that helps improve use of resources is the provision of Education Information Centers. Good information and counseling services for adults can help assure that each adult student is matched with the educational program from which he or she can derive the greatest benefits.

Let me illustrate with a current example how state coordination and effective information services can benefit the adult learner. The example is the Targeted Job Tax Credit enacted by Congress and now in effect. Although not specifically designed to serve adult learners, this law can add immensely to the financial resources of many adult learners if:

Business and educational institutions are informed of its availability and how it can be used;

Adult students are aware of it; and

If there is cooperation with the State Labor Department, so that qualified programs and individuals are approved for the tax credit vouchers.

Through the coordinating role of the New York State Education Department, we are putting the pieces together, so that the financial potential of the tax credit is linked with the service capabilities of educational institutions and the students are informed through the vehicle of the Education Information system we are building with EIC funding.

There are many other ways that New York State now serves adult learners—some supported by federal funds. These are described in the publication, Adults Learning Here. I call your attention to the higher education programs, including the Regents External Degree and College Proficiency Examination Programs, the credit bank, and the procedure for validating college credit courses offered by industry, community agencies and other "non-collegiate" sponsors of education. All of these have an important place in the provision of full services to underserved adults.

Because I expect that I can be most helpful to you if I can be responsive to your questions, I will end my statement here. I have brought along a number of documents for your use. Most important is the carefully worked out statement by the Regents on the legislation that is under consideration by your Committee. You will see there, and in other documents, the commitment of the Regents and the Commissioner to the service of adults. We can assure the members of the Committee at this hearing that federal funds provided to serve adult learners will be well used for your constituents in New York State. I am prepared to respond to your questions. Thank you for this opportunity.

Attachments.

THE UNIVERSITY OF THE STATE OF NEW YORK,
THE STATE EDUCATION DEPARTMENT,
Albany, N.Y., September 7, 1979.

ADULT LEARNING IN NEW YORK STATE—1979

This is a first draft of a paper prepared for the September meeting of the New York State Advisory Council on Adult Learning Services. It is intended as a first step toward the development of a comprehensive policy paper on adult learnings by the Council. Suggestions for improvement of the paper are invited. Comments may be sent to: Robert L. Purga, Adult Learning Services, New York State Education Department, Room 232M EB, Albany, N.Y. 12234.

ADULT LEARNING IN NEW YORK STATE—1979

I. Introduction

Adult learning has recently been termed "the last frontier" (Moon, 1979)—a frontier that has expanded in size and significance during the last decade. The purpose of this paper is to chart the terrain of adult learning in New York State, first by defining what we mean by "adult learning" (section 2), and then by examining how many adults currently participate and in what way (section 3), and providing several indicators of the State's current need for adult learning (section 4). The paper concludes with profiles of those adults who praticipate in learning activities (section 5), (2) adults who do not (section 6), and, finally, adults who are part-time students.

Several caveats should be mentioned at the outset. First, the paper is not intended to be exhaustive but rather to sketch a rough outline of adult learning. Second, federal statistics are often cited where data is lacking; and in some cases adapted to New York State population figures. The attempt, again, is to identify possible signposts of adult learning in the State, despite the dangers of such extrapolation. Finally, this is only a first draft and is solely intended for discussion purposes.

With these cautions in mind, we now turn to the task of defining what we mean by "adult learning."

2. *Defining "Adult Learning"*

Several decades ago, describing the scope of adult learning in New York State would have been relatively simple. According to the prevailing view, "learning" and "education" were nearly synonymous. "The main business of education" consisted of "learning certain basic skills which would subsequently be of practical use in the life of both the individual and society" (Cropley, p. 31). Since both education and learning took place in school, adult learning could be described by enrollment figures aggregated by age. The numbers would be small since learning and education were viewed as the domain of the young. Under some views, "adulthood" began when schooling ended, the student having been prepared for the world of work and the "commencement" of life.

Today, "learning," "education" and "schooling" are not only conceptually distinct but distinct in practical terms. Estimates of the number of participants at any given time will vary substantially according to which of the three terms is used to define the learning experience for an adult.

"Learning," for example, is generally defined as an activity or process by which individuals acquire new skills or knowledge (Cropley). "It is a lot like walking. Almost everyone does it to some degree of success" (Broschart, iii). In its broadest sense, learning is lifelong, continuing from life to death (Kurland, 1976; Ziegler, p. 1).

TABLE I.—Human Learning[1]

<table>
<tr><td colspan="5">A. Random learning</td></tr>
<tr><td rowspan="3">B. Family and socially directed learning</td><td colspan="3">C. Education</td><td rowspan="3">D. Self-directed learning</td></tr>
<tr><td rowspan="2">C₁. Compulsory and formal post secondary schooling</td><td colspan="2">Adult education</td></tr>
<tr><td>C₂. Formal schooling for credit</td><td>C₃. Nonformal delivery systems</td></tr>
<tr><td colspan="5">A. Random Learning</td></tr>
</table>

[1] Adapted from the "International Standard Classification of Education" (ISCED) handbook, 1975.

Table 1 shows that "learning" not only includes "education" (category C) and formal "schooling" (categories C1 and C2) but also learning derived from personal interactions with family and friends (category B), unintended learning (category A), and self-planned or self-directed learning (category D). (Broschart).

"Education" then is a subset of learning and may be defined as "any systematically organized activity consciously undertaken for the purpose of acquiring new information, knowledge or skills" (O'Keefe, p. 5). Classes, lectures, workshops, private lessons, correspondence study, and on-the-job training would all be included in the definition.

"Schooling" has the narrowest scope, being confined to learning in formal educational institutions (Cropley).

The distinctions are critical, and this paper will make use of all three terms to depict adult learning in the State.

The final term to be defined in "adult"—and here there is very little consensus. The two factors which vary the most across research studies are: (1) age (16 or older, 17 or older, 25 or older, 18 to 60, etc.), and (2) enrollment status, particularly whether or not full-time students in high school and college are included in the count. The focus of this paper is on adults, age 25 or older, who have left the traditionally sequenced educational system and who do not consider their role as student to be their primary occupation or responsibility. Note will be made where other definitions are being used.

These definitions will now be used in describing the overall levels of adult participation in "learning," "education," and "schooling" in New York State.

3. *Overall Level of Participation*

Regardless of how "adult learning" is defined, one cannot escape the conclusion that the current demand for adult learning in New York State is very great. This is especially true when estimating New York State's "learning force"—the total number of adults participating in learning activities at any given time. The looseness of this concept is indicated by the wide range of the estimates in national studies of the number of adults engaged in the broad concept of learning—from a low of 11.6 percent to a high 98 percent of the adult population! Using the broadest definition, more than 10.3 million of the 10.5 million adults in New York State, age 25 or older, could be considered to be involved in at least one "highly deliberate effort" to learn each year (Tough)—a number considerably larger than the State's workforce. Less than 1 percent of these learning projects are believed to be for credit of any kind.

Aslanian and Brickell, through their research on "Americans in Transition," estimate that half of all adult Americans 25 years or older engage in "organized instruction" or some form of independent learning each year—an estimate which would place New York's learning force at more than 5½ million adults.

If the focus is further limited to adults engaged in "organized instruction" only—correspondence study, private tutoring, and instruction sponsored by industry, government, and community agencies, as well as schools and colleges—more than 1,475,000 adults, age 17 or older, qualify as "adult learners" (NCES)—a number more than 1½ times the State's degree credit enrollment. This includes an estimated 435,000 adult learners enrolled in non-credit courses sponsored by employers, unions, and other non-educational organizations (Purga, 1978).

A significant subset of "organized instruction" is those adults pursuing formal education or training—or "schooling." Even here, participation is substantial. For example:

(1) In the 1977–78 school year, 168,026 adults were enrolled in occupational education programs in the State.

(2) In 1977, 32,000 adults were enrolled in programs leading to a high school diploma, 4,000 of these through high school evening courses. Some 80,000 each year are in Adult Basic Education Programs.

(3) 80–90,000 adults are enrolled in BOCES.

(4) At any given moment some 25,000 people will be in training sponsored by the Office of Vocational Rehabilitation throughout the State, and each year 9,600 complete their programs by successfully entering and retaining suitable employment.

(5) Over 20,000 blind and visually handicapped use talking books, braille, and cassette materials.

(6) At the postsecondary level in Fall 1977, adults, age 25 or older, comprised:

14% of all full-time degree credit undergraduates—about 75,800 students (Fall, 1977);

40% of all part-time degree credit undergraduates or about 89,900 students (Fall, 1977);

One of every five undergraduates in the State—about 166,000 students (Fall, 1977);

62% of all full-time graduate students (27,800 students);

80% of all part-time graduate students (80,625 students);

Three of every four graduate students (107,425 students);

One of every three degree-credit students (275,425 students);

As many as 70,000 of the students enrolled in off-campus courses;

As many as 96,000 students taking non-credit courses at 135 sponsoring institutions—a 364 percent increase over the 26,426 non-credit students in 1971;

As many as 2,000 of the students taking televised courses for credit (age data is not available);

As many as 70,000 students acquiring credit for non-collegiate sponsored instruction;

As many as 14,000 students currently working toward a Regents External Degree.

Clearly, the notion that all adults are part-time students does not apply to New York State when we are talking about degree-credit enrollment. While it is true that two of every three adults, age 25 or older, do study part-time, the figures above show that a significant number study full-time. Further, when undergraduate data is reviewed, only about 54 percent of adults in degree programs study part-time.

Also significant is the number of adults studying less than half-time. While State figures do not exist, national estimates have placed the percentage at 40 percent (Purga, 1978). If this holds true for New York, this would mean 36,000 undergraduate and 32,250 graduate adult students in the State are enrolled less than half-time—about 1 of every 4 adult degree students (Fall 1977).

(7) Another major category of adult learner are the workers receiving training as part of their jobs. Estimates place the numbers involved in this "training force" at 4.3 million workers—figures do not exist for New York State. The amount spent by industry is also staggering ranging from a low of $2 billion

annually to a high of $100 billion. A T & T alone is said to spend over $900 million each year. Given the number of high technology and service oriented employees in New York State, it is safe to assume that a significant proportion of all workers in New York State participate in some job-related education or training each year.

(8) In addition to the "learning" and "training" forces, another group of adult learners can be identified as the patrons of the cultural institutions of the State—the "cultural learning force." The extent of this force is indicated by the following selection from a current State Education Department discussion paper on "Cultural Institutions and Expanded Learning Opportunities for Adults":

Our State population numbers 18 million yet almost 30 million visits were made to our museums in 1978.

Over 80 million attendances were registered at organizations supported by the State Council on the Arts in the same year.

Our public libraries are used by 51 percent of the State's adult population.

Millions watch "Live from Lincoln Center" and other New York based programs in addition to the wide variety of cultural, educational and science offerings on public television.

In short,

Cultural institutions reach more adults than continuing education programs in public schools or in universities and colleges.

New York State's libraries are in the nation's foreground in providing nontraditional learning environments and assistance to adults seeking educational experiences. This year, New Yorkers will read more than 82 million books and borrow more than 2 million films, records and cassettes from the State's 711 public libraries.

Overall, the participation rates are impressive and strikingly reinforce the fact that this is a "learning society." Yet the needs for adult learning seem equally impressive:

One in five New Yorkers are believed to lack basic competency skills;

4.9 million adults aged 25 or older have less than a high school diploma; 2.9 million have less than eight years of formal education;

47% of the State's population are classified as educationally disadvantaged;

The average worker changes jobs 6-to-7 times in the course of a lifetime and changes occupations 2-to-3 times;

As many as 36% of all adults are in career transition;

65,000 students age 16 or older withdraw from high school each year before completing diploma requirements;

280,000 handicapped individuals in the State lack a high school diploma;

More than 700,000 immigrants in the State have difficulty speaking English;

Almost half of all adults in the State need basic education or occupational skills to cope with societal demands;

Thousands of women are seeking preparation for the world of work.

Yet even a description of the State's educational needs does not provide an adequate picture of the characteristics of who is and isn't participating in adult learning activities throughout the State.

To do this, the following three profiles will be presented: (1) a description of who actually participates in organized learning or instruction; (2) a description of who doesn't participate; and finally, (3) a profile of the part-time student.

3. The Current Participants in Organized Instruction

Studies conducted at both state and nation levels show a surprisingly consistent profile of those engaged in learning (New York State Education Department, January 1977; Cross, 1978; Aslanian; Cohen-Rosenthal; O'Keefe).

The most frequent participant according to the New York State Education Department's Continuing Education Needs Assessment Study falls into the following categories: white high school graduate, between the ages of 35 and 54, employed more than 41 hours per week, with an annual family income of $10,000 or more (New York State Education, January, 1977, pp. 71–83).

Most reported taking job related courses to improve or advance in current job status (including half of all women interviewed). The majority paid for their learning out of their own pocket (Cross). More than 95 percent of those who had participated in the past said they wanted to continue learning (New York State Education Department, January 1977).

All participants are not alike, however. Marked differences were found in New York State according to previous educational level, age, and ethnic background. For example:

Those with at least some college experience were more than twice as likely to report an interest in pursuing a wide range of subjects than were adults having 8 years or fewer of formal schooling.

Adults with the least formal education were three times as likely to report no current interest in continuing their learning than those with some college education.

Preference for "education buildings" as the site of learning increased with educational level.

Preference for group instruction increased with level of education, while the proportion preferring instruction with a tutor or self-guided learning declined with level of education.

Cost of tuition was cited as the most important barriers to participation regardless of educational level.

Age makes a difference in people's interests. Those under age 25 had the greatest desire for credit, diplomas, or other credentials. Older, retired people were more interested in learning for personal development or for a vocation.

The most important barrier cited by those age 55 or older was that they "felt too old" to learn.

Cost of tuition, cost of books, equipment and the cost of travel were reported as the major barriers by Blacks and Hispanics; they reported that financial aid advice would be "very helpful" and that they would be "very likely" to consult such a service about twice that of the total population.

Adults feel that counseling services would be helpful. Adults with less than a high school diploma, those with low incomes, and younger persons appeared most likely to use such services for help with job-related programs or for financing their studies.

Almost one-half of all the adults surveyed lacked adequate information about continuing education in their communities. Among lower-income rural adults, as well as adults in large metropolitan areas, the number reporting this lack was especially high.

Finally, the 1975 NCES survey, using the definition of "organized instruction" similar to that used in the New York State needs assessment study found that: the majority of participants (85 percent) took only 1 (68 percent) or 2 (17 percent) courses during the previous year.

"dropouts among adults are fewer than would be expected given the perception of the adult learner as an in-and-out student with a much lower level of commitment and persistence than the full-time younger student (O'Keefe, p. 48). Less than 7 percent of all participants dropped at least on educational activity during the year. Of those who dropped, some 13 percent had stuck it out for a year or more. Disappointment in a course was the major reason for dropping.

4. *The Non-Participants in Organized Instruction*

As Cross points out, the profile of the current participant in "organized learning activities" looks a little less like the average American and a little more like a member of the advantaged class,(Cross, 1979 p. 81). This section will show that the non-participant profile is just the opposite. To emphasize the remarkable consistency of the profile across data bases and definitions of adult learning, selected findings from the "Americans In Transition" study conducted by Aslanian and Brickell will be cited. An asterisk will be placed by each finding which is in agreement with the finding of the New York State Education Department's continuing education needs assessment study. Keep in mind that the needs assessment study not only excluded full-time students and independent learners, but used a younger definition of "adult" (age 16 or older versus age 25 or older) and shifted from current participants to those who had participated at some time since the end of their formal schooling.

Single adults who have never married and divorced adults are more likely to engage in learning than others, while widowed adults are less likely.

There are no differences in adult learning according to sex or number of persons in the household aged 25 or older.

Learners are slightly more likely to live in urbanized areas. Adults participation in learning is below average in places of less than 2,500 population and in rural areas.

Learners are considerably younger than nonlearners. Twice as many learners as nonlearners come from the group aged 25 to 29, while only half as many come from the group aged 65 to 69. Half of all adult learners are under 40. (General agreement within age ranges given.)

Blacks supply considerably less than their proportionate share of learners: Hispanics supply their share; whites supply a bit more than their share; other groups considerably more than their share.

(Hispanics had the lowest participation rate.)

Learners are considerably better educated than nonlearners. Adults who have gone beyond high school are twice as likely to learn as those who have not. Only about one of five with eight years of school or less participates in learning.

Adults with high incomes are more likely to learn. Twice as many learners as nonlearners come from families earning $250,000 a year or more. The break point comes at family incomes of $10,000 or more; above it, learners outnumber nonlearners; below it, nonlearners outnumber learners. There is no income ceiling on learning; two out of three adults from families earning $50,000 a year or more are engaged in learning.

Employed adults are far more likely to engage in learning than unemployed adults. Those who are working full time are even more likely to learn than those who are working part time. Fewer than one out of three retired persons are engaged in learning. In short, the more work a person is doing, the more likely he or she is to engage in learning.

Of all occupational groups, adults in professional and technical work are most likely to engage in learning, while those in farm work are least likely. There is a clear relationship between the amount of training required to enter an occupation and the need or desire to continue learning.

Adults employed in business and professional fields are more likely to engage in learning than those employed in agriculture, mining, construction, and transportation.

Participation in learning drops sharply among adults who have five or more children. The learning of adults with fewer than five children is unaffected by the number.

Females with children under 18 are considerably more likely to engage in learning than females with children over 18.

(Bonham; Aslanian.)

In addition, the Education Department's Needs Assessment study found that:

There was no appreciable difference in geographic mobility;

More previous participants than non-participants were Veterans;

Participants had a wider range of interests though both groups had similar interests;

Previous participants generally preferred education buildings as learning sites while non-participants preferred studying at home. When asked why, more non-participants chose their preferred location because they "could set their own speed."

Previous participants were willing to commit more time to their learning than non-participants;

Previous participants were more likely to want credit for their study;

Previous participants were willing to pay more for their courses—only one in four non-participants were willing to pay more than $25 for a course compared with 40% of the previous participants;

Non-participants expressed a greater preference for individual and self-guided instruction than participants;

"Cost of tuition" was rated as the second most important barrier to non-participants, the fourth most important barrier to previous participants. The most important barrier was "home and other responsibilities" regardless of participation status.

Clearly, the profile of the non-participant is one of the least advantaged in society. Blacks and Hispanics, the elderly, people with less than a high school education, those with annual family incomes of less than $10,000, and those living in the central urban or rural areas are heavily under-represented in the ranks of those who engage in "organized" learning activities (NYS Education Department, Cross, 1979). The pattern holds even when all types of independent learning activities are included in the definition of participant (Aslanian).

More significantly; the educational gap between black and white, poor and rich, underschooled and schooled, is widening. According to national data, the participation rates of blacks (especially those who are middle-aged or female), people with low income (less than $10,000), and adults having only a high school education or less are declining, at least where "organized" learning is concerned (NCES definition) (Cohen-Rosenthal). Significantly, the greatest increases in educational participation between 1969 and 1975 were made by white women with college degrees and family incomes of $25,000 a year and over. In fact, the rate of growth for women was more than double that for men (Cross, January 11, 1979).

The Part-time Student

As the enrollment figures on page 7 indicate, the number of adults pursuing postsecondary education on a part-time basis is an important and growing subset of adults engaged in "organized" learning activities. The figures also emphasize that "adult" and "part-time" students are not synonymous. Most part-time students are adults and most adults are part-time students. But there are full-time adult students (⅓ of all adults pursuing undergraduate degrees in the State) just as there are part-time 18-year-old students. Unfortunately, most of the information describing the characteristics of part-time students does not allow an analysis by age. Further, most of the information is national in scope and an assumption must be made that part-time students in New York State follow a similar pattern—an assumption that may or may not be true.

With these caveats in mind, the profile of the part-time student in New York is as follows:

(1) Part-time students are older than full-time students.

In Fall, 1977, 4 of every 5 part-time students were age 22 or older while this is true of 1 of every 4 full-time students.

(2) Women and minority group members tend more to part-time study than to full-time study.

In Fall, 1977, 122,555 women were part-time undergraduates, or 54.5 percent of the total, in contrast to 49.7 percent of all full-time undergraduates in the State (State data, Harrison).

In Fall, 1977, 42,500 blacks and Hispanics comprised 18.6 percent of all part-time undergraduates, in contrast to the 15.9 percent of all full-time undergraduates in the State who were black and Hispanic (State data, Harrison).

(3) Most part-time students are employed.

While nearly six in ten full-time students *are not* in the labor force, more than three of every four part-time students *are working* (national data, Bowman).

(4) More full-time students come from families with the lowest income levels. Part-time students generally have lower family incomes than do full-time students.

Nearly half of the full-time students in the nation come from families with incomes of less than $10,000, whereas only slightly more than one-third of adult education participants come from families with these low incomes (national data, Bowman).

There is a higher percentage of family incomes under $15,000 among part-time students than among full-time students (national data, American Council on Education).

(5) Part-time students are more likely to be "financially independent" than full-time students.

At least one-half and as many as three of every four part-time students are financially independent under the criteria used by New York State's Tuition Assistance Program (TAP)—criteria which are stricter than that used for federal student aid programs (State data). This is in marked contrast to the 25 percent emancipation rate for full-time TAP recipients (State data, Dickenson).

(6) Part-time students are academically good students.

More than 90 percent of all adults are believed to be financially independent according to federal criteria (natonal data, Bowman).

Part-time students have a higher baccalaureate degree completion rate than do full-time students (national data, USOE, cited in Palamountain).

In 1975, the average grade point average for part-time students was 3.2 on a scale of 4.0 (national data, Institute for Public Policy Alternatives, cited in Palamountain).

(7) Part-time students do have "financial need."

More than 37 percent of all part-time students surveyed in the capital district area of the State reported that the cost of education was an important barrier.

Using a modified Uniform Methodology, Bowman found that in 1975, 12 percent of all part-time students age 25 or older had demonstrable "financial need," averaging $428, and totaling $283.3 million. Applying this figure to New York State's enrollment for Fall 1977 (the first year age data was available), more than 20,460 part-time students age 25 or older in the State show "financial need." Assuming the average amount of "need" is equivalent, the "financial need" of adult part-time students in the State totals more than $8.7 million.

SIMULATED THEORETICAL FINANCIAL NEEDS OF ADULT PART-TIME STUDENTS, AGE 25 OR MORE UNDER MODIFIED METHODOLOGY

	Base number (in thousands)	Number with need (in thousands)	Average need	Aggregate need (in millions)
Public colleges	2,168	164	$392	$63.2
Private colleges	376	47	457	21.6
Public vocational schools	972	117	394	46.0
Private vocational schools	2,064	333	458	152.5
Total	5,580	661	428	283.3

(8) Finally, part-time students have less access to financial student aid---both State and federal—than are full-time students, for a variety of reasons (see Purga, 1978). Some have limited access to other funds.

Though part-time students represent 40 percent of all undergraduate students, and one third of all degree students in NYS, they received less than 6 percent of the $529 million in federal student aid and only 1 percent of the $206 million in State student aid distributed in 1976–77 (State data, Purga, 1978).

National data shows that where more than half of all "traditional" full-time students receive some federal air, this is true of less than one of every five part-time students. And much of this comes from the G.I. Bill (Purga, 1978).

Nationwide, the Veterans Administration estimates that in the year ending September 30, 1978, the number of persons losing their eligibility to benefits under the G.I. Bill exceeded by 306,000 the number who became eligible (The Chronicle, September 4, 1979, p. 14). The decline in the number of Veterans eligible is expected to continue at an even greater pace into the 1980's (O'Keefe).

An estimated 27 percent of currently enrolled students are believed to receive some form of tuition assistance from employers. Less than 5 percent of the total amount of employer tuition benefits available are currently being utilized (national data, Purga, 1978).

(9) Appendix A provides brief descriptions of adult students at several institutions illustrating the problems that adults in NYS have in qualifying for financial aid under the Basic grant (BEOG) program—the largest student air program in the nation (taken from testimony of Dr. George Ayers).

Conclusion

This paper has been an attempt to pull together data from a variety of sources to provide a comprehensive picture of adult learning in New York State. We invite further suggestions and recommendations that would add to the paper's inclusiveness.

APPENDIX A

1. 30 year old female, single, has a 6 year old child. 1977 adjusted gross income: $2792. She works as a teacher's aide. She is in her senior year of a bachelors degree in sociology and is hoping that this credential will help her attain a better paying job on a full time basis. Although she has help from welfare for medical needs, there is no extra room in her small income to pay for tuition, books, childcare and transportation for one course a quarter. She is unable to take more than one course per quarter because her job and child consume the rest of her time. So, although she financially qualifies for BEOG, she is unable to use it on such a part-time basis.

2. 56 year old female, married, has two teenage children. Her husband is totally blind and an amputee who requires additional care from her. Their small business and his social security benefits amounted to an adjusted gross income in 1978 of $6895. They have started a small craft and second hand business and she is trying to complete a certificate in marketing at the University which she feels will give her the necessary skills in bookkeeping, selling techniques and small business operations that will make their business a success. Because of the time involved in the shop, with their children and her husband, she is unable to take more than one course per quarter. Although her income qualifies her for BEOG, her part-time status disqualifies her from receiving the financial help she needs to pursue her education.

3. 45 year old female, single, works as a nursing assistant. Her 1977 adjusted gross income was $3600. She is working for her R.N. degree which will help her find a better job at a much higher salary. She is just starting better back to school after many years and with a full time job, does not feel that she can do well in more than one course at a time. When she has completed some of the difficult prerequisites and is formally admitted to the program, she feels she will be able to attend on a full-time basis, With additional special expenses, she does qualify for BEOG, but her inability to take enough credits prevents her from receiving this assistance.

4. 28 year old female, recently divorced with 4 children. Her 1977 adjusted gross income was $7734. She has just been employed as a Jr. account clerk and is trying to work on an accounting certificate at the University which will qualify her for a promotion upon completition. However, with 4 children and just beginning a new job, she does not feel that she can do justice to more than one course at a time. So her part time status will prevent her from obtaining BEOG.

5. 27 year old male, married, one child. His 1977 adjusted gross income was $5385. He works as a janitor. He is in his senior year of a combination Business/English program, which he is hoping will help him into a better paying job. His job and family do not allow him enough time to take more than one class per quarter. Therefore, he cannot qualify for BEOG. In an attempt to continue his education, he tries to save enough money to take a course every two or three quarters. This is causing him to take two or three times the usual amount of time to finish his degree.

6. 23 year old female, married, has 2 small children. 1977 adjusted gross income was $9708. Her husband is an apprentice carpenter six days a week. They have $70/month medical bills. She is trying to work on a Commercial Art Certificate in preparation for a job which will help them meet these monthly expenses. However, with the main responsibility for two children, she does not feel she can afford the time for more than one course per quarter. Although, she would qualify for a small BEOG award, her part time status will prevent her from receiving it.

7. 31 year old male, married, one child. His 1977 adjusted gross income was $3960. He is a picture framer and self employed carpenter. He has approximately 20 credits remaining to complete a BA degree. Because of the time he feels he must spend with his family and business, he is unable to take more than one course per quarter. Therefore BEOG cannot cover his tuition expenses.

8. 28 year old female, married, no children. Their 1977 adjusted gross income was $4000. She and her husband are houseparents in a group home for retarded adults. She is at the end of her sophomore year working on a bachelors degree in psychology. Because of the nature of her job she cannot be away from the home and spending the time to study more than one course per quarter. Although they have no unusual payments, monthly rent ($110/mo) health insurance and car payments leave no extra money for tuition, book, and transportation to school. Although her income qualifies her for assistance from BEOG, her part time status prevents her from receiving it.

9. 31 year old female, married, 2 children, not employed, husband's salary $15,000 to $17,000, drives 25 miles one way, seeks B.S. in elementary education, has completed 11 hours, hopes to complete degree in 1984–85, costs of commuting and child care $100/month, grade point average 3.8, no aid.

10. 29 year old female, single, 4 children. Income less than $10,000, works 20–30 hours per week, child care cost $40/week, has earned 80 hours credit toward degree in social work, 3.9 average, eligible for small BEOG.

11. 28 year old female, married, 2 children. Family income $15,000, seeks B.S. in recreation, completed 38 hours, expects to complete degree in 1983. Child care expenses $100 per semester, no aid.

12. 40 year old widow, 4 children, $9800 income, $3000 equity in house, not eligible for aid.

13. 24 year old female, married, no children, $900 family income, $4500 debt, no assets, quit job to go school. Not eligible for BEOG. Obtained $340 loan.

14. 25 years old male, 1 child, $3600 income, $22,000 equity in house, ineligible for BEOG.

15. 23 year old male, married, 2 children, $9800 family income, have equity $6600, not eligible for BEOG.

THE UNIVERSITY OF THE STATE OF NEW YORK,
THE STATE EDUCATION DEPARTMENT,
Albany, N.Y., January 24, 1979.

FINANCIAL AID AND THE ADULT LEARNER: FEDERAL AND NEW YORK STATE STUDENT AID PROGRAMS

(Summary by Robert Purga, Staff Associate)

The full report may be obtained from Adult Learning Services, New York State Education Department, Albany, New York 12234. This paper was prepared with partial support from College Board and does not necessarily reflect the policy of the New York State Education Department or the College Board.

Adult learners are pursuing lifelong education in record numbers. In New York State, one of every three degree-credit postsecondary students and close to half of part-time students—are 25 years or older.

Yet adults have received only limited student financial assistance to support their studies. Though part-time students represent about 30 percent of all undergraduate students seeking degrees in New York State (and about 25 percent of those attending at least half-time), they received less than 6 percent of the $529 million in federal student aid and only about 1 percent of $206 million in State student aid distributed to New York State students in 1976–77.

National data shows that where more than half of all "traditional" full-time students receive some federal aid, this is true of less than one of every five part-time students. And much of this comes from the G.I. Bill.

This paper briefly identifies a number of implicit and explicit barriers common to federal and New York State student aid programs that effectively limit the number of adults receiving student aid and the amounts that they receive. Analysis is limited to the thirteen aid programs listed in Table 1 and includes the impact of the Middle Income Student Assistance Act (MISAA).

The barriers are grouped into the following three types, each type reflecting a separate aspect of the aid process:

1. *Student eligibility.*—First, the adult must meet a number of basic eligibility criteria.

2. *Financial need.*—Second, the adult must demonstrate some amount of financial need under at least one of three basic need analysis systems in New York State.

TABLE 1.—A DESCRIPTION OF FEDERAL STUDENT AID PROGRAMS

Program name	Program acronym	Program description
Basic educational opportunity grant	BEOG	Provides direct grants of up to $1,800 to students showing financial need.
Supplemental educational opportunity grant	SEOG	A campus-based program providing grants of up to $1,500 to students with "exceptional" financial need.
College work-study	CWS	A campus-based program which pays 80 percent of the wages of students with great financial need.
National direct student loan	NDSL	A campus-based program providing low interest (3 percent) loans to students in need.
Guaranteed student loan	GSL	Private lenders provide low interest (7 percent) loans. In New York State, interest subsidies are paid by the Federal Government and the loans are guaranteed by the State.
State student incentive grant	SSIG	The Federal Government provides funds to States as an incentive to establish or expand need-based grant programs. In New York State these funds have been incorporated into the TAP program.

TABLE 2.—A DESCRIPTION OF NEW YORK STATE STUDENT AID PROGRAMS

Program name	Program acronym	Program description
Tuition assistance program	TAP	Provides direct grants of up to $1,800 to students with substantial financial need.
Higher educational apportunity program	HEOP	Provides grant aid and supportive services (remediation, counseling and tutoring) to educationally and economically disadvantaged students in private and independent colleges.
Educational opportunity program	EOP	Provides grant aid and supportive services to educationally and economically disadvantage students enrolled in the State University of New York (SUNY).
Search for equality and education through knowledge.	SEEK	Provides grant aid and supportive services to educationally and economically disadvantage students in 4-yr. colleges of the City University of New York (CUNY).
College discovery	CD	Provides grant aid and supportive services to educationally and economically disadvantaged students in CUNY 2-yr. colleges.
Tuition deduction	None	Each full-time dependent may receive a tax deduction of either (a) ½ of tuition expenses less TAP awards or (b) $1,000—whichever is less.
Parent's and student's savings plan	PASS	Allows families to establish a higher education trust fund for each dependent enrolled full-time or under the age of 21. Annual contributions up to $750 are tax deductible.

3. *Actual acquisition.*—Finally, the "eligible," and "needy" adult must "successfully negotiate the administrative path" required to actually get the aid in hand.

Throughout, two caveats should be kept in mind. First, many of the barriers are only indirertly related to age. An adult, with low income, who is financially dependent, and is studying full-tfme in a daytime degree program at an eligible institution, would probably have little difficulty finding aid. Few, if any, adults, however, fall into this category.

Finally, the lack of data preclude an adequate assessment of whether the current distribution of aid is, in fact, equitable. At present, we dont' know: (a) how many adults now receive aid; (b) how many current or potential adult students qualify for aid; (c) how many adults were denied aid, for what reasons, and with what effect; and finally, (d) the extent that adults can meet their "financial need" through other sources of aid. One in four receives some private assistance, for example.

The evidence that is available suggests that aid is important to many adult students.

We know, for example, that the cost of education is consistently reported as a major barrier by present and potential adult students, that part-time degree students generally have lower family income and are more affected by changes in tuition than are full-time students, and the "typical" adult participant in all types of postsecondary learning is relatively affluent, relatively well-educated, employed and white.

Further, while participation rates are increasing among adult learners with family incomes over $10,000, the rates are declining among minorities and adults with income of less than $10,000. Returning adult women have particular difficulty in meeting the costs of postsecondary education.

Finally, according to the National Commission on Nontraditional Study, more than 56 percent of adults with interest in more education find that the costs of books, learning materials, child care and transportation have kept them from learning what they want and need to know.

With these caveats in mind, we will now briefly review the three types of barriers.

I. ELIGIBILITY CRITERIA

Students must meet a number of basic eligibility requirements before receiving aid—regardless of "financial need." Though requirements vary across programs, the following four eligibility requirements limit adult participation in federal and State student aid programs:

A. Attendance Status

The exclusion of part-time students from aid eligibility has been termed "one of the most severe barriers" to adult students in need of financial assistance. TAP, PASS and the Tuition Deduction program only provide aid to full-time students, thus, excluding two of every three degree credit adult students in New York State. The remaining federal and State programs provide aid to part-time students only if attendance is half-time or more (at least six credit-hours). More than 55,000 adult students in the State who are believed to be studying less than half-time are ineligible for any student aid—State or federal.

Further, those State programs that provide aid to part-time students are generally designed for full time students and place special restrictions on part-time aid. Though New York State has the largest "need-based" student aid program of any state in the nation, the federal programs provide an estimated 98.5 percent of all aid to part-time students in the State.

Frequently, it is argued that the exclusion of part-time students is justified because they are (1) less committed or (2) have less "financial need" than tradi- tional students with heavier course loads. Yet studies show that time demands of family and work responsibilities prevent many adults from studying at even half-time levels and that those who do increase their credit load to become eligible for aid are often heavily burdened. Part-time students are *not* simply traditional students with lighter loads, but are older, busier, and facing real barriers to furthering their education. They are also meeting the same academic standards as full-time students.

Bowman points out that a showing of "commitment"—of being "genuinely interested" in seeking education—is rarely asked of students who enter college directly from high school.

While it does take longer for a part-time student to complete a degree and that a number of adults do drop out, it is also clear that the cost of education is cited by part-time students as a major reason for delaying or terminating their educa- tion. That many "traditional" full-time students fail to complete degrees is seldom used as an argument for withholding aid from *all* full-time students show- ing "financial need".

As to the "financial need" of part-time students, there is no reason, in principle, to use attendance status as a screen of "financial need." Not only is enrollment cost one of a number of factors already assessed by current measures, but a stu- dent's ability to pay and the number of credit-hours taken are not perfectly correlated. A part-time student can show greater "need" than a full-time student, and a less-than-half-time student more than one attending half-time or more.

In actuality, the arguments about "financial need" boil down to how much it will cost to expand eligibility. Estimates for removing the half-time limitation under BEOG run from $60–$70 million, though the changes under MISAA could substantially raise this cost. Estimates range from $100 million to $265 million for the remaining federal programs (NDSL, SEOG, CWS, and GSL). One first step might be to expand SEOG at an estimated cost of $20 million.

Expansion of aid to less-than-half-time students would benefit those adults who now feel completely barred from college because of limited time or resources. Returning adult women, juggling work, education, and family responsibilities would especially benefit. "Disadvantaged" adults or adults returning to educa- tion after a number of years would be able to receive aid and reduce their course- loads—an option that is now precluded.

Finally, interviews with aid directors and adult counselors in New York State suggest that small, subsidized, short-term loans would help less-than-half-time adult students with low income and nonliquid assets, with seasonal employment, or in employer-sponsored education programs which reimburse the employee only upon course completion.

Expanding TAP to part-time students attending at least half-time could cost from $40 to $100 million, depending upon the number of students actually respond- ing to the aid and the specifics of how the program would be phased in. While the increased aid to middle-income and independent students under BEOG (when funded) might substantially reduce the State's cost of serving part-time adults, expanded BEOG aid might also induce large numbers of price-responsive adults to enroll, thereby increasing the cost of expanding TAP.

Removing the full-time provision under TAP could have a substantial impact on adult learners for three reasons:

1. Most adult learners study part-time.
2. Adults have less difficulty demonstrating "financial need" under TAP than under other aid programs (discussed in Section II).
3. All students with "financial need" who apply are funded—part-time adults do not have to compete with full-time students for aid (discussed in Section III).

Returning or disadvantaged adults would especially benefit. Reducing credit-loads to half-time study is one remedy successfully used by the four State programs for the disadvantaged (HEOP, EOP, SEEK and CD)—albeit on a limited scale. Special program funds are used to fill the gap left by TAP (which covers only full-time study). Such supplemental aid is not available, however, for adults who are eligible for these programs but cannot get in (perhaps as many as three times the number now being served), for those adults who are not educationally and/or economically disadvantaged enough to meet program admissions standards, or for adults who feel they would benefit from a year of remedial study but are not required to enter the programs by the institution.

One caveat. The costs of expanding aid to part-time students do not include any added administrative expenses to institutions, which may act as a disincentive for recruitment of part-time adults. However, studies show that part-time students use fewer of the services offered by institutions, thus, offsetting some of the extra costs of administration.

B. Enrollment in an Eligible Program

A second set of provisions act to the disadvantage of many adult learners. Students must be enrolled in "eligible programs" of study to receive federal or State student aid. According to the federal regulations, an "eligible program": (1) leads to a degree or certificate, (2) is at least six months or one-year in length, depending upon the type of institution, and (3) admits as regular students only those persons who are beyond the age of postsecondary school attendance and can benefit from the education or training offered. Requirements for State programs are generally similar.

The "eligible program" restriction, more than any other set of provisions demonstrates the expanded role of postsecondary education in the "learning" society. Whereas the majority of "traditional" postsecondary learners may have pursued education within the framework of an eligible program in the 1960s and early 1970s when program regulations were initially formulated, this is true of only about one-fifth (an estimated 17.6 percent) of adult learners today.

Adults not only show a broader range of learning interests than is currently served by degree-credit study, but the interest is credentialized learning itself often declines with age. The greatest desire for credit, diplomas or other forms of credentials is reported by learners under age 25, and a growing number of adults now enroll solely for personal or cultural advancement, without matriculating in a degree program.

The notion of a single career line no longer holds. The average worker changes jobs six-to-seven times in the course of a lifetime and changes occupations two-to-three times. One of every three adults is now in career transition (actual or planned). Yet many adults seeking to re-tool for new jobs or even update current job skills find degree-credit requirements and long-term time commitments (six-months or more) inappropriate. Other workers, stuck in "dead-end" jobs, turn to education for personal enrichment.

The degree requirement alone excludes more than half the adult learners enrolled in postsecondary institutions in the State. This includes as many as 142,000 adult learners pursuing credit study outside of a degree program, and 78,000 adults enrolled in non-credit courses (Fall, 1977). Looking beyond the campus, an estimated 435,000 adult learners are enrolled in non-credit programs sponsored by employers, unions and other non-educational organizations in the State—more than the number of adult undergraduates in the State. While employer tuition assistance may finance tuition costs for many workers, such assistance often covers only a few courses, rarely includes living costs, and is not equitably available to all workers. More importantly, only a small percentage of workers actually use such aid, partly because of the built-in limitations and frequent requirement of an initial cash outlay by the student.

Restructuring existing aid programs to accommodate these new groups of adult learners would be a major policy change and would require a decision about what

portion of the vast array of the educational experiences available to adults is worthy of public support. (Do we include all such experiences? Only those that contribute to increased income or a higher level job? What about learning for personal enrichment or recreation?)

C. Attendance At An "Eligible" Institution

Federal and State student aid programs only fund students who are enrolled at an "eligible" institution—an "institution of higher education."

A brief look at the eligibility restrictions shows that student aid is already available at many "non-traditional" institutions serving adults. A growing number of adults are receiving aid under BEOG and GSL to finance their education while they are in prison. One of every three students enrolled at proprietary schools in New York State is an adult and can receive all federal aid and TAP if the school is accredited. BOCES—a network of New York State area vocational technical schools—serves about 3,000 adult postsecondary students who are eligible for CWS.

Yet, because of differing eligibility rules, institutions may be eligible under some programs and not others. Less than 40 percent of the State's proprietary schools are eligible for the complete package of federal and State student aid. Students at BOCES are only eligible for CWS.

Even more importantly, "eligible" institutions serve only 28 percent of the 64 million postsecondary adult learners in the nation—only one of every four adults. The bulk of postsecondary adult learning takes place in non-school settings (the home, museums, libraries, churches, the workplace, trade unions and recreational centers)—places which are generally "ineligible" from the standpoint of federal and State student aid support.

The federal role in financing non-formal learning is unclear. BEOG and GSL already provide aid for "learning-at-a-distance"—external degree, independent study, and correspondence programs sponsored by "eligible" institutions. At the same time, there is a growing concern about the dangers of too much intervention.

What is clear is that current access to non-formal education is over-represented by affluent learners who can afford to pay their own way. Many adults cannot or prefer not to take advantage of education in "traditional" settings. Disadvantaged adults report that they are "turned off" by traditional schooling and favor the home and community seetings at learning sites. A similar preference is reported by older adults in New York State.

The issue of institutional eligibility suggests that financing the full range of adult learning may entail more than just a sample expansion of existing aid programs. One possibility might be to better coordinate existing public and private resources into a "lifewide" pattern of financing.

D. Award Limits

The fourth, and final, set of eligibility restrictions limit the duration and amount of aid awards. The provisions primarily affect part-time students and will become more important as the changes in BEOG under the MISAA enable more adult learners to receive aid.

The first limit restricts BEOG and SEOG awards to four years of full-time study or the equivalent, or until completion of a bachelor's degree—whichever comes first. Yet degree programs in New York State generally require 120 credits for completion, or five years of full-time study at 12 credits each semester. In practice the vast majority of full-time students complete their degree within four years by taking an average of 15 credit hours per semester. Many adult students, however, cannot increase their credit load, and may be caught by the limitation within a few years (BEOG was not opened to part-time students until 1975). Most students and aid officers are unaware of the limitation. Adults who could be planning to take additional credits, arrange for additional financing, or make up the additional year through CLEP or CPEP are currently not doing so.

Closely related is the question of whether support should be so closely linked to terminal degrees. The adult learner who has exhausted aid eligibility when young, yet is stuck with obsolete skills or seeks education in retirement, may find aid limited to CWS (the only federal program with no ceiling on total aid). The problem will become increasingly important as the highly educated "baby boom" seeks new educational opportunities.

BEOG further limits the basic grant if a part-time student's credit load does not exactly equal half-time or three-quarter time status. The student who enrolls for more than six credits (half-time) but less than nine (three-quarter time status) is considered a half-time student and receives an award computed to reflect half-time status. The part-time student who enrolls for eight credits each semester in effect loses one full year of BEOG entitlement, and may have to finance up to two full years if hit by the four year limit. In short, the part-time student who pays by the credit-hour is awarded only part of demonstrated need. The full-time student pays by the semester and is not charged for more than 12 credits. Wagner estimates that 88,000 part-time students received award reductions in 1976–1977. Thousands more will be affected as the MISAA takes effect.

Finally, beginning in 1979, students who qualify for a basic grant of less than $200 receive no award. This primarily affects the adult student for three reasons. The majority enroll part-time, often at low cost public institutions. Lower tuition costs means that more adults are likely to reach the $200 cut-off. Second, most adults are financially independent and have greater difficulty demonstrating "financial need" under the BEOG formula than do "traditional" age dependent students. Finally, many adults may already have their awards reduced if their credit-load falls in between the half-time, three-quarter, and full-time categories.

II. FINANCIAL NEED

Adult learners meeting the basic eligibility criteria must demonstrate some amount of "financial need" to remain eligible for State or federal student aid. Though a showing of "need" is not a guarantee of aid (see the next section), the requirements does provide a simple, direct method of targeting those students who would most benefit from the aid—at least in principle. In practice, the need analysis systems developed to assess "financial need" are one of the biggest constraints to adult participation in existing aid programs. Many adults simply cannot show enough "need" to qualify for any aid. When "financial need" can be demonstrated, it is often at too low a level to receive a basic grant (the $200 award cut-off) or to compete with "traditional" age dependent students for scarce campus-backed student aid funds (CWS, SEOG, and NDSL).

Part of the reason is that adult learners generally have higher levels of assets and income than do "traditional" dependent students (and higher financial obligations). Yet even when income and assets are equal, the dependent student can demonstrate more "financial need" than the financially independent adult because of the way the need analysis formulas are set up. The difficulty stems from the fact that most adults are financially independent. Both the BEOG formula and the Uniform Methodology (the system used by the private need analysis agencies and most institutions in the State to calculate "financial need" for the federal campus-based programs) underestimate allowable expenses and overestimate the available resources that the adult learner has relative to the "traditional" age dependent learner.

Though TAP is relatively more liberal than BEOG or the Uniform Methodology, it is an exception—both in the State and the nation. New York is one of only three states to use an income tax system for measuring "need" and one of only six states to use a different system than is used for the federal air programs (the Uniform Methodology and BEOG).

A. Allowable Educational Expenses

The expenses of the adult learner generally do not differ in kind from those of the "traditional" 18-to-22 year old dependent learner. Rather the issue is which portion of these expenses are related to education and, thus, within the scope of need analysis calculations.

Both the Uniform Methodology and BEOG formulas resolve this issue by placing a ceiling on the total amount of living costs that will be allowed for independent students. Under the Uniform Methodology, each institution constructs an independent student budget with allowable expenses and submits the budget to the private need analysis agencies. A national estimate of a "low" standard of living is used if no budget is submitted. BEOG uses a fixed budget that is more stringent. No institutional discretion is involved.

When applied to New York State, with its high cost of living, the fixed standards are so low that they barely qualify a family for public assistance. As Bowman points out, the standards were originally developed to serve the typical self-supporting student of the late 1960's and early 1970's: "young, single or recently married, without an established life-style, and willing to devote all of his or her personal, academic and financial resources to the pursuit of postsecondary education." With more and more adult students pursuing postsecondary education (especially as the MISAA takes effect), this assumption has become increasingly inaccurate.

However, even where institutional discretion is involved in the Uniform Methodology, evidence suggests that one of every three institutions in New York State does not submit its own budget which would reflect the higher local costs at the institution and in the State, and that many institutions that do construct budgets neglect such items as child care costs. Others deflate their budgets so that living costs do not appear to be greater than the aid that is available at the institution.

The MISAA did begin to address the level of subsistence costs allowed under BEOG by raising the allowance for single independent students to poverty level. The allowance for independent students with dependents was not changed and remains at poverty level.

This brief analysis shows that where expenses are concerned, the Uniform Methodology—the system used by most institutions for the campus-based programs (NDSL, SEOG, and CWS)—generally provides a greater allowance for the expenses of the independent student than does the BEOG formula, though this allowance varies by institution.

Finally, the State programs do not provide additional allowances for living costs. TAP only covers tuition. PASS and the Tuition Deduction exclude independent students altogether and the remaining programs generally use the Uniform Methodology.

B. Calculation of Available Resources

Once allowable educational expenses have been established, the next step in determining "financial need" is to calculate the resources that the student and the student's family is expected to contribute toward meeting these expenses. When costs exceed resources, the student has demonstrated "financial need."

Both the Uniform Methodology and the BEOG formula expect that the independent student will contribute a greater share of available resources toward meeting educational costs than is expected from the dependent student. The key difference between the two systems is in the treatment of assets and income.

Under the Uniform Methodology, the independent student is expected to contribute 100 percent of all available resources—assets and income alike—before the student qualifies for financial support. When the student is dependent, on the other hand, only a fraction of the family's available resources is applied against educational expenses.

As a result, under the Uniform Methodology, a family of three with net assets of $10,000 and an income of $12,000 would be expected to provide $698 if the student is a child, but $3,008 if the financially independent father is the student. When assets are raised to $30,000, this amount is doubled for the child and more than tripled for the father.

With the passage of the MISAA, BEOG has substantially liberalized the amount of available assets that the independent student with dependents (those who are married or have children, for example) is expected to pay for his or her educa- tion. This amount is now the same as that expected from dependent students. The result, when this change is actually funded, will be that thousands of adult learners, previously unable to demonstrate "financial need" will now become eligible for BEOG—truly a landmark step.

While the treatment of assets has been equalized, the MISAA has, in fact, widened the disparity in the assessment of income for independent and dependent students under BEOG. Dependent students are now expected to contribute 10.5 percent of available income—a substantial liberalization. In contrast, the treatment of independent student income has remained unchanged. Instead of 10.5 percent, the independent student is expected to provide: (1) 75 percent of available income if the student is single; (2) 50 percent, if married with no dependents other than spouse, and (3) 40 percent if there are dependents other than spouse.

The BEOG formula, like the Uniform Methodology, still preserves the concept that independent students should contribute a greater share of resources toward postsecondary education expenses. The treatment of available resources under TAP generally makes it much easier for the "typical" adult learner to qualify for aid.

First, TAP is the only one of the three need analysis systems which uses the same "needs" formula to assess the income of dependent and independent students (a greater contribution is still expected from the single independent student).

Second, TAP allows an income reduction if more than one family member is attending college full-time. While additional costs of part-time attendees are not recognized by TAP—even if such attendance is in a degree program—there is no reduction of any kind under the federal methodologies

Finally, in sharp contrasts to the Uniform Methodology and BEOG, TAP assesses only one type of resource—net taxable income. Non-taxable income and assets are not even considered.

The exclusion of non-taxable income is an advantage to adults with limited fixed income, since social security, public assistance payments and veterans benefits play no part in determining awards.

The exclusion of assets not only facilitates a showing of "financial need," but avoids the assumption that non-liquid assets are available to meet educational costs. This contrasts most sharply with the Uniform Methodology.

For example, the recently divorced adult with dependent children, a $25,000 house, and little income, could qualify for more aid under TAP and BEOG than under the Uniform Methodology.

The house would play no part in determining the award for either that adult or child applying for aid under TAP. While both BEOG and the Uniform Methodology would include the house in the "flanncial need" analysis, BEOG—when fully funded—would provide enough asset protection so that the house would not be counted as a resource to meet education costs—for either adult or child. This would generally be true under the Uniform Methodology if one of the dependent children—not the adult—were the student.

In contrast, if the adult were applying for aid under the Uniform Methodology, or for support under the pre-MISAA BEOG formula, he or she would, in effect, be expected to re-mortgage the house in order to meet education costs. Under the current, pre-MISAA BEOG formula, for example, a $25,060 house would roughly translate into an expected contribution of $8,300. Similar expectations now hold for the single independent student applying under BEOG or the Uniform Methodology.

TAP does pose one problem for many adult students. Like the federal need analysis systems, TAP uses previous year's income to determine "flanncial need." However, unlike the other systems, there is no provision for uing an estimate of current income when there has been a sudden shift in economic circumstances. The adult, who loses or leaves a job, who is divorced or whose spouse dies, and who wants to pursue a degree full-time, would still be treated as employed under TAP for the first year of reduced income.

In summary, the methods of determining "financial need" are important barriers to adults seeking aid for education. An adult student who is unable to demonstrate "financial need" cannot receive aid, regardless of the amount of additional money that is poured into existing aid programs, and regardless of the student's actual inability to meet the costs of education. While MISAA will expand BEOG support to the adult learner, it has also created inconsistencies between BEOG and the Uniform Methodology. An adult learner with middle income resources will now demonstrate the most "financial need" under BEOG; a disadvantaged adult with low income and few assets will probably qualify for more aid under the Uniform Methodology, though actually getting this aid in hand is quite difficult (see the next section). Since institutions can use either the Uniform Methodology or BEOG—but not both—for their campus-based programs, an adult could be ineligible for aid at one institution and still demonstrate "financial need" at a nearby institution using a different system. These differences may be difficult to explain to an adult seeking aid.

III. THE ADMINISTRATION OF AID

Once the basic eligibility criteria have been met and some amount of "financial need" demonstrated, the student—in principle—has qualified for aid. In practice the adult learner still faces the administrative obstacles associated with actually getting the aid in hand. There are three general hurdles: (1) getting accurate information about aid and aid eligibility, (2) successfully applying for aid, and (3) acquiring aid under programs where institutions have discretion to select those students that will be funded.

A. Information About Aid Eligibility

Most aid information is currently geared to serving the recent high school graduate and the full-time student. The adult who has been out of school for some time, lacks a high school diploma, or seeks to study part-time often has difficulty getting accurate and full information about program provisions.

Part of the problem lies in the complexity of the aid regulations. A number of provisions that apply to adult learners are almost "hidden" in the regulations and require interpretation by someone familiar with program terminology and operation, and misinterpretation is common among financial aid counselors.

For example, "eligible" undergraduates are entitled to four "full" years of BEOG funding, meaning that an otherwise eligible adult could spread BEOG payments over as many academic years as it takes to equal this amount or complete a bachelor's degree. Yet aid counselors interviewed at eight or eighteen institutions in New York State reported that BEOG elibility was limited to four academic years. period. Part-time students at these institutions were incorrectly informed that they were eligible for only a fraction of their actual BEOG entitlement. The same misinterpretation was found at the toll-free BEOG information number.

The other side of the problem is that adult learners often seek aid information from a variety of "nontraditional" sources—libraries, brokerage agencies, educational opportunity centers, CETA programs, community "linkers," neighbors, and so forth—where knowledge of aid regulations is not a primary mission. Supplying accurate and clear information to these sources is a major challenge that is now even more important given the change in BEOG, GSL, and the campus-based program under MISAA. Certainly an advertising campaign should recognize that adult learners have expanded access to aid and should gear information to the adult learner and "non-traditional" sources of aid information.

A second area of information is "financial need" eligibility. Even adults who are aware of aid programs often assume that only people on public assistance or full time students can show enough "need" to qualify for aid. Enabling an adult to determine his or her "financial need" quickly instead of waiting the six-to-eight weeks it now takes to process an application would be one way of dealing with this problem. A number of institutions in the State use programmable desktop calculators to provide a "free" estimate within fifteen minutes.

B. The Application Process

The "eligible" adult learner, once aware of possible assistance and his or her own aid eligibility, must still master a complex application process. In New York State this involves at least three forms and two separate deadlines. This process poses a major barrier to the adult who is outside of a counseling and information network. Simplification and "de-jargonization" of aid forms, the development of an educational information center network, and expanded training of counselors are only a few alternatives that could ease the process.

C. The Disbursement of Aid

All adults who are eligible and apply for TAP or BEOG, receive aid. Under the campus-based programs, institutions have the discretion to decide which "eligible" students will receive awards, the type and amount of aid received. Eligible lending institutions have similar discretion in awarding GSL. In practice, this means that the part-time adult must compete for limited funds with dependent, full-time students. Though estimates suggest that part-time students are almost twice as likely to receive BEOG than CWS, NDSL, SEOG or GSL, the explanation is more complex than simple discrimination.

First, funds are scarce. New York receives less than half of the campus-based aid requested. The three statutory formulas used to allocate the aid to states are based upon the number and proportion of children under age 18, the number of high school graduates, and the number of full-time post secondary students. Eligible part-time students are not uniformly taken into account.

Further, evidence suggests that public two-year colleges—institutions which enroll large numbers of adults in New York State—often do not participate in or underparticipate in the campus-based programs—again, limiting the aid available.

Finally, institutions often exclude part-time students from campus-based aid, regardless of demonstrated "financial need." Others require a greater "self-help" expectation than is expected from "traditional" age, full-time students. About one-quarter of the institutions in the State report a separate packaging policy for the adult student—one that emphasizes loans instead of grant aid.

These policies are currently well within the broad scope of discretion that institutions have in distributing campus-based aid. Eligible lending institutions have similar discretion in providing guaranteed student loans. Under GSL, however, middle income adults with good credit ratings may be at any advantage. The same may not hold if the adult seeks part-time study or is relatively disadvantaged.

In any case, the adult learner has a clear interest in knowing if such discretionary policies exist and the impact on acquiring aid at the institution. The adult turned down at one institution may incorrectly assume that he or she is ineligible at every institution in the area. Many are unaware or not made aware of such policy differences. The decision to make such policies public would be a new departure in student consumer information. Further discussion is beyond the scope of this paper.

In summary, these administrative issues are difficult to pin down yet extremely important in looking at possible adjustments in current aid programs. Simply expanding eligibility or pumping more money into the campus-based programs will not guarantee that adults will be served. Even changes in need analysis procedures may have little effect on the distribution of campus-based aid given the assumptions that aid officers make about part-time and adult students.

Finally, expanding financial aid to adult learners is not a panacea. Aid will not help unless adults know about their increased eligibility and have access to information and counseling. Providing information and financial aid will have limited impact unless learning programs meet learner needs. Finally, few of these changes will make a difference if adult learners are "turned off" by further education—as are 65 percent of all economically and educationally disadvantaged adult learners. About 74 percent of adults between age 55 and 64, and 98 percent of those over age 65, report no immediate interest in continuing their learning after high school. Many have bought the myth that they are "too old to learn."

TESTIMONY OF DR. NORMAN D. KURLAND, EXECUTIVE DIRECTOR, ADULT LEARNING SERVICES, NEW YORK STATE EDUCATION DEPARTMENT BEFORE THE HEARING ON FEDERAL STUDENT ASSISTANCE FOR LESS THAN HALF-TIME STUDENTS MAY 9, 1979

Chairman Ford and Members of the Subcommittee on Postsecondary Education—

Thank you for inviting me to appear today to discuss the issue of student assistance for less than half-time study at institutions of postsecondary education. I will present the position of the New York State Board of Regents on this subject and the results of a study of student assistance done by our office.

The Board of Regents has submitted to the Congress its 1979 statement, "Federal Legislation and Education in New York State." In that statement the Regents review all aspects of student financial aid and make a number of recommendations for consideration by the Congress. I commend the full statement for your thoughtful attention.

Today I will focus only on the Regents proposals on less than half-time study. The Regents position "is based on the concept that all students who need financial aid to attend an eligible postsecondary institution are entitled to receive grant assistance." The Regents believe that "all" students includes those persons, usually adults, who do or might attend less than half time. While some less than half-time students are in the traditional college-age group, most are adults with job and/or family responsibilities and limited financial resources. The Regents concern is that persons who demonstrate need on the same basis as students studying half-time or more should have equitable access to financial assistance.

The first program in which the Regents propose that aid be extended to less than half-time students is in the Supplemental Educational Opportunity Grant Program (SEOG).

The Regents state:

> Because the type of student enrolled in postsecondary education is changing, eligibility for SEOG assistance should be broadened. There are significant numbers of adults who can benefit from post-secondary education. Society would benefit from their increased participation. The SEOG program requires that participating institutions "make rigorous efforts" to seek out and aid qualified youths of exceptional financical need and encourage them to continue their education at the postsecondary level. Postsecondary institutions cooperate with secondary schools and make conditional commitments of financial aid to qualified secondary school students. In order to expand postsecondary educational opportunity for adults, a provision should be added to the Supplemental Grant Program, paralleling that for qualified secondary school students. Such a provision should require institutions to "make rigorous efforts" to identify and aid

qualified persons of any age, who are of exceptional financial need, and encourage them to continue their education at the postsecondary level.

To accommodate new types of students, institutional flexibility and capacity to treat differently situated students must be increased. This could be accomplished by auhorizing institutions to make Supplemental Grants to less than half-time students.

The second way that the Regents propose to help less than halft-time students is by making them eligible for loans under the Federal guaranteed loan programs. I will discuss later some possible ways that loans might feasibly be made available to less than half-time students.

A third approach to meeting the needs of such students would be through inclusion of part-time study in any Tuition Tax Credit adopted by the Congress. The Regents have presented a detailed Tax Credit plan that "would be applicable to both full-time and part-time attendance." It is worth noting that the Regents position is broader than the provisions in the Tuition Tax Credit Act of 1978 which provided coverage for full and half-time students only. Even so, in the version that was not enacted in the last session because of lack of time, the coverage for half-time students was postponed. We recognize that this Subcommittee has not favored tax credits, but if a plan is again considered by Congress, it should, at least, include all part-time students.

In supporting their recommendations for less than half-time aid, the Regents state that "these students, particularly adult learners with other responsibilities, are unable to commit larger shares of their time to education. These persons might be denied postsecondary educational opportunity if Federal assistance were not provided."

I would like to expand on these reasons with material from the study we did on Financial Aid and the Adult Learner: Federal and New York State Student Aid Programs. The work on the study was done by my associate, Robert Purga with support from the College Board. Attached is a summary of the study.

The first point to be noted is that part-time students generally have less access to aid than full-time students. Only a few states provide aid to such students, and even New York with its generous grant programs has not yet extended aid to half-time students, although Regents this year proposed such action to the Legislature. The less than half-time student is currently ineligible for any aid—State or Federal. We estimate that in New York alone there are 55,000 such students at the present time and they will increase to 61,000 in 1990.

The first question, of course, is—is there a need for aid to less than half-time students?

It is argued that the exclusion of part-time students is justified because they are less committed or have less "financial need" than traditional students with heavier course loads. Yet studies show that time demands of family and work responsibilities prevent many adults from studying at even half-time levels and that those who do increase their credit load to become eligible for aid are often over committed. Part-time students are not simply traditional students with lighter loads, but are older, busier, and facing real barriers to furthering their education. They must also meet the same academic standards as full-time students.

James L. Bowman of Educational Testing Service points out that a showing of "commitment"—of being "genuinely interested" in seeking education—is rarely asked of students who enter college directly from high school.

While it does take longer for a part-time student to complete a degree and a number do drop out, the cost of education is cited by part-time students as a major reason for delaying or terminating their education. That many "traditional" full-time students fail to complete degrees is seldom used as an argument for withholding aid from all full-time students showing "financial need". The same concern for helping traditional, disadvantaged, full-time students should be extended to disadvantaged part-timers.

As to the "financial need" of part-time students, there is no reason, in principle, to use attendance status as a basis for determining "financial need." A part-time student pays less tuition and this factor is taken into account in the need calculation. Furthermore, a student's ability to pay and the number of credit-hours taken are not perfectly correlated. A part-time student can show greater "need" than a full-time student, and a less-than-half-time student more than one attending halftime or more. The major point is that need and not number of credits should be the primary determinant of aid.

Several categories of persons whould benefit particularly from less than half-time aid. The first are those indiivduals who now take a half-time load in order to be eligible for aid but who would prefer to take lighter loads in order to accommodate their study to other demands on their lives and energy. We are told that many part-time students are in this situation. They are disadvantaged adults who have been out of school for some time, have job or family responsibilities, and do want to study but have difficulty keeping up with the demands of even a six-hour program. Aid for less than six hours would help such students adjust to the rigors of collegiate study and might reduce the rate of noncompletion in such groups.

The second category that would benefit are the counterparts of the first group—persons similarly situated who decided not to make their try at half-time study and lack the resources to start on their own with a lighter load. Half-time aid would enable such persons to enter postsecondary study under more favorable circumstances and move gradually to heavier loads as they gain confidence in their own capacities and learn how to manage their many responsibilities.

Aid to less than half-time students would help particularly women and minorities who tend more to study part time. Last year in New York women were just under half of the total undergraduates but were almost 55 percent of the part timers. Blacks and Hispanics made up 16 percent of the full-time undergraduates and nearly 10 percent of the part-timers. Access to less than half-time aid could help many more persons from these groups get a start in postsecondary study, and would be a further step in promoting the national goal of equal opportunity for women and minorities.

I have mentioned several times that many of the persons who study less than half-time are workers. This fact leads some to argue that such persons do not need aid because they either have access to employee education benefits or should be able to afford the "modest" costs of less than half-time study.

While figures on the overall numbers of employees who have education benefits are not good, a reasonable estimate is that about half of employed persons have such benefits. These tend to be persons in larger, more stable enterprises with higher levels of salary. The persons most in need of further education to improve their employment prospects are least likely to have education benefits and they are most likely to be in lower paying jobs that leave them with few resources to cover any educational expenses. It is increasingly the case today that people with better jobs also have the most access to education as a result of their jobs. Thus, without some special effort, the gap between the educational haves and havenots in our society will continue to grow.

Even for those workers with educational benefits, nearly 80 percent of the employers require satisfactory course completion for reimbursement of tuition paid by the employee. This is a key factor in keeping the utilization rate of these employee benefits under 5 percent.

It should also be noted that taking even a single course can entail considerable expense. The average cost for three credits in a private college is about $700. While lower in public institutions, it is rising and every increase hits the part-time student hardest since he/she receives no compensating aid.

Less than half-time aid will have institutional benefits also. In response to the demands of society for higher education opportunities for youth in the fifties and sixties, postsecondary educational institutions expanded rapidly. Now, as you well know, we are faced with a period of decline of full-time traditional undergraduate enrollments. Yet, the capacity built to meet the previous demand remains. Institutions through the country have begun to adapt this vast resource to meet the needs of adult learners. They have been reducing the barriers of location, time, and content by offering courses at places and times convenient for adults and on subjects that address adult needs, interests and preferred methods of study. Cost remains a barrier to the full utilization of this resource.

Problems with SEOG

Because each category of student presents circumstances that are highly individual, the Regents believe it is best that decisions on aid to such students be made primarily at the campus level. For this reason, extension of SEOG to less than half-time students is the Regents preferred option at this time. If your Committee accepts this recommendation, you should take note of certain features of SEOG that, if left in their present form, would reduce the effectiveness of the basic change. These are:

1. *Determination of need*—Under the present formulas used in SEOG to determine need, independent students are not treated equitably. The "Uniform Methodology" should be liberalized at least to parallel the changes made in the Middle Income Student Assistance Act for BEOG. Even the liberalization of the needs

formulas in MISAA leaves the independent student at a disadvantage. The disparity in the assessment of income for independent and dependent students has been widened. While the contribution expected from dependent students is now 10.5 percent, the independent student is expected to provide 75 percent of income if single; 50 percent if married with no dependents other than spouse; and 40 percent if there are other dependents. MISAA does equalize the treatment of assets for independent and dependent students. The Regents propose going a step further by excluding assets completely. They also propose that allowances for other family members in secondary education should be increased. One reasonable step would be, in all need calculations, to liberalize the credit for all family members who are studying.

2. *$200 minimum award*—If awards are made for less than half-time study, the $200 minimum could, in many situations, cancel the award.

3. *Institutional Discretion Issue*—Institutions have discretion as to whether or not to apply for SEOG funds at all and how much to request. Many colleges, particularly community colleges, do not request all of the funds to which they are entitled by the allotment formulas. This is critical for adult learners, since they are heavily concentrated in community colleges and must compete for the limited aid with "traditional" dependent students—students who can more easily demonstrate "financial need" under current methods of need analysis.

More importantly, as Lawrence Gladieux of the College Board points out, such underparticipation in aid programs is not the result of the application, state allotment, or institutional allocation procedures by which the campus-based funds are distributed. "Instead," he says, "the explanation seems to rest with the community colleges themselves." There are a number of reasons, including the lack of matching funds, administrative understaffing, and, the most difficult to detect, a lack of perception of student financial needs. Because of their low tuition charges, many community colleges may tend to think that part-time students—particularly adults—have little or no financial need. Yet, even when tuition charges are low the student still must finance other costs associated with attending college even on a commuting, part-time basis—commuting expenses, books, supplies, and fees.

Thus, adult learners with substantial need may be effectively denied the opportunity for Federal campus-based aid simply because institutions underestimate the actual costs of attendance and either do not apply for Federal aid or under-request funds when they do.

A separate, though related, issue is how the institutions distribute the aid that they actually receive. Federal regulations give institutions a wide range of discretion in determining which students will be selected from a pool of "eligibles" and provided with aid. Since institutions usually do not have enough funds to aid all students with "need," they limit such awards to full-time students. Two factors seem to influence this decision.

The first is an assumption that students who study part-time are less committed to education than are full-time students. Such an assumption is completely unfair to the thousands of serious part-timers and it does result in lower access to aid regardless of demonstrated "financial need".

The second factor is the assumption by aid administrators that many adults have access to alternative sources of funds with the clear implication that adult students—full time or part-time—do not really need the aid as much as younger students, in spite of results of the need analysis.

The Regents sought to address this issue of institutional discretion by proposing that institutions be required to "make rigorous efforts" to serve persons of any age who have exceptional financial need. An institution that is concerned with its community service role should be able to explain how it has allocated its aid funds among the various groups it serves.

Loans for Less than Half-Time Students

Extended grant aid would meet only part of the financial aid requirements of the least affluent less than half-time adult students and would not help at all the student who does not qualify for aid but cannot make the lump-sum payment required at registration. For these reasons, the Regents have recommended extension of the loan programs to less than half-time students.

Moreover, the complexities, confusion and inequities of the present loan programs for full-time students create even greater barriers for adults. Therefore, the Regents recommend:

". . . consolidation of the Guaranteed Student Loan Program and the campus-based National Direct Student Loan program. The recommended consolidation system provides simplification for students. Past loans may be consolidated and interest rates equalized. The system assures that those most in need will receive loan assistance, while it permits the program to accommodate adult learners unable to commit large shares of their time to post-secondary education. This consolidation system also allows for expansion of loan funds by making the full market value of notes available to institutions. Institutional capital now tied up in the NDSL fund would be freed under the plan since the Federal share of the fund would operate as a one-time restricted grant to the institution. The postsecondary institution then would determine whether to use such funds in its loan program or that of a financial institution or state loan agency. More effective administration would be achieved through consolidation by retaining the GSLP administrative powers for state loan agencies, financial institutions, and postsecondary institutions and by restricting the marketing of notes to the amount needed for new loans for the current academic year."

Even with these adjustments, there will be problems for disadvantaged adults in obtaining loans. In practice, in many states, banks, credit unions and other eligible lenders in the GSL program set aside a limited amount of funds to be used for student loans. The disadvantaged adult, or the adult requesting a small, short-term loan, may find it difficult to obtain a loan. The problem has become more important as tightened Federal Reserve discount rates have made lenders increasingly reluctant to make the loans at all. Special measures will therefore, be necessary to insure that loans are available to less than half-time students on an equitable basis.

In New York, because of a strong State loan program, most borrowers are able to get loans, which shows that it is possible to serve part-time students. One step that might be considered, particularly to meet the cash flow problems of the part-time student, would be to encourage all institutions to do what some now do—put tuition payments on the deferred payment basis. Payment could then be made in small monthly installments, just like any other family installment purchase. Federal encouragement could take the form of extending loan guarantees to cover installment-type loans in addition to those on which payment is deferred until program completion.

Conclusion

In conclusion, Mr. Chairman, we are pleased that you have chosen to focus attention at this hearing on one segment of the adult student population. Adult learners are becoming an increasingly important part of the clientele of all educational institutions. This growth in participation of adults in learning activities is contributing to the economic strength and well being of our nation. It is assuring that the rich resource represented by our postsecondary institutions, developed at great public and private cost, will continue to serve the people of this nation. Just as we developed our great financial aid system to insure equity of access for the high school graduates, so now it is appropriate to provide the means to insure that equity will prevail throughout the lives of individuals.

You will undoubtedly hear arguments that in the order of priorities for the expenditure of scarce public funds, the less than half-time adult students stand too low for consideration at this time. Making a judgment as to the relative need and merit of a full-time eighteen-year-old with no clear purpose and no family obligations, and a 30-year-old working mother who wants to improve her economic status by studying part-time, is no easy task. It is not one that government should have to make. As you consider the student financial aid system for the eighties, it may be timely to look beyond the patching and fine-tuning of a system basically designed for another time and purpose.

May I respectfully commend for your consideration, the exploration of a financial aid system that would be appropriate for the kind of learning society that we are becoming, one that would treat persons of all ages and circumstances equitably and that would give to the individual adult learner the primary decision on when, what, and where he or she will study.

Finally, it is important to note that finances are not the only barriers to adult participation in education. There are information and other barriers that also need to be addressed. As you consider other parts of the Higher Education Act, we urge that support be provided for Education Information Centers and for further research and development on adult learners.

Mr. Chairman, I thank you for this opportunity to present these thoughts and hope that they will be helpful to the Committee in your deliberations.

THE UNIVERSITY OF THE STATE OF NEW YORK,
THE STATE EDUCATION DEPARTMENT,
Albany, N.Y., August 22, 1979.

SERVICES FOR ADULT STUDENTS

A background paper for the 1980 Statewide Plan for Postsecondary Education

One of a series of papers prepared to serve as the basis for discussion of issues and alternatives for higher education in New York State in the 1980's.

Comments and suggestions can be sent to: Dr. Norman D. Kurland, Executive Director, Adult Learning Services, New York State Education Department, Room 232M EB, Albany, N.Y. 12230.

INTRODUCTION

During the 1980's adults will be the largest source of potential students for postsecondary education. Some of these adults will pursue their education, using their own funds or with support from their employers. Others will be interested in such study but will not participate unless special efforts are made to induce or enable them to participate. There are individual and social benefits from increasing educational participation by adults. Institutions will have the faculty and the facilities to serve these students and, for some, increasing adult enrollments may be their only hope of survival. Department projections, however, show a decline of adult enrollments in the 1980's, but at a slower rate than for traditional students. Since the potential adult student population is large (e.g. 12 million professionals nationally require regular inservice education) the key issues are—should the State actively seek to increase adult participation and, if so, through what policies and programs?

A major consideration in deciding these issues is the attitude of the State and the postsecondary institutions toward adults students. If adults are viewed primarily as replacements for traditional students, only limited funding and services are likely to be provided as a way of cushioning the impact of declining enrollments. Minimal changes in institutional policies and practices will occur, and the numbers of adults responding is likely to be low. If adults are viewed as persons with real needs for learning opportunities that often differ from those of traditional students and with legitimate and defensible claims for public support to help meet those needs, then the State and the institutions will need to carefully review adult needs, institutional missions and resources, and public priorities in order to determine how best to match what adults need with what institutions can provide and the public can support.

This paper is provided to assist postsecondary educational institutions in New York State in preparing their submissions for the 1980 Statewide Plan for Postsecondary Education. It brings to planners' attention some key information about adults and their needs as well as raises issues for serious consideration on each campus. The 1980 submissions should reflect the growing importance of adults in higher education and contain specific recommendations on how services to adults can be explained.

The paper contains the following sections:

I. Who is the adult student?

II. Why should there be special attention to adult students in institutional plans and in the Statewide Plan?

III. What services might be provided?

IV. What are the costs of such services?

V. Who should pay for them?

VI. How should competition be controlled?

An Appendix contains a list of possible services for adults.

I. WHO IS THE ADULT STUDENT?

This paper is concerned with those students who are older than the traditional college student (generally 25 or older) for whom education is a secondary rather than a primary activity. Many study part-time. Cross (1979) identifies two types of adult students:

1. Those who "are educationally disadvantaged in the sense that they need help with basic skills, motivation, and guidance on how to make it in the educational system;" and

2. Those "who have been successful in the past. They tend to be achievement oriented, rather independent, and their primary educational needs are for schedules, curricula, and instruction appropriate to their maturity and adult responsibilities."

Since one of the other background papers focuses on the disadvantaged or "underprepared" student, this paper will focus on those adult students who are prepared, at least educationally, for postsecondary study. Many of these latter may have been away from formal study for many years and need confidence building, refresher work, and renewal of study skills. But once launched on further study, they tend to be capable, committed, and concerned students. They bring their own life experience to the classroom; they expect to be treated as adults by the faculty; and they are impatient with anything that appears to waste their time or is not directly related to the purposes for which they are studying.

These are what Cross (1976) would call "independent" students. She argues that there are also "dependent" students whose orientation to learning is quite different. They tend to like being with and relating to people, emphasize careers involving interpersonal relations, are dependent upon others for direction, work well in groups, but are poor at analytical problem solving and accept problems defined by others, and seek acceptable solutions. Such differences strongly influence the kinds of learning situations in which adults function best. Institutions wishing to serve particular groups of adults should weigh carefully the teaching strategies as well as other conditions that are most appropriate for each group.

Adults are a very diverse population with many different reasons for seeking further study. Many have needs that fit nicely into the traditional-degree structures. For these students, traditional credit courses, perhaps offered at different times and places, are quite satisfactory. Others have needs that can be met by specially structured degree programs, a direction taken on many campuses.

But many adults have needs that do not fit into degree and credit structures. They are often less interested in credentials than in acquiring specific skills that can be of immediate help in some job or personal situation. For this population, institutions have developed a myriad of non-credit offerings, tailor-made to the needs of some specific group of students. The hotest debates now and in the future will be over such issues as:

1. How much emphasis should an instruction give to such non-credit work?
2. What standards should be applied?
3. Who should decide what should be offered, who should teach, how costs should be figured, and what charges levied?

In short, adult students, particularly when they become aware of their numbers and their importance to the institutions, create new expectations about study and institutional services to which institutions and their faculties must respond.

A major point to be made as discussion begins of plans for the 1980's is that adult students are already on the campus. As Congressman William R. Ratchford of Connecticut said in introducing in Congress the Lifelong Learning Act of 1979—

"The average college student today is hardly the 20-year-old male of two decades ago. Each year, our institutions are filled with increasing numbers of older Americans, men and women beyond the traditional age of the student who want or need additional education and training to cope with a rapidly changing world.

"This growing trend of part-time, nontraditional students will profoundly alter the shape of higher education in the years to come."

Indeed, the change is already well along. The average age on many campuses is now 27 or 28, and adult part-time students are close to becoming the majority group of students in post-secondary education. George Bonham, in the July–August, 1979 issue of Change Magazine, gives an indication of the potential:

"For an expanding roster of academic institutions, beset by growing nightmares of declining student enrollments and unremitting inflationary pressures, the prospect of what might lie out there in terms of potential adult learners, may seem like some alluring phantasmagoria." It includes, to wit, the following:

60 million Americans now find themselves in some form of instructional setting, with 46 million of them outside our formal school and college systems.

40 million Americans regard themselves at any moment in time as undergoing some form of career transition.

Over $17 billion in educational benefits is available, of which only a small fraction is being utilized.

Business and industry alone spend $10 billion annually on training and upgrading.

And the needs for adult learning seem equally impressive:
65 million Americans lack basic competency skills.
15 million Americans lack college degrees.
12 million professionals require regular in-service education.

This reflects a staggering compilation of unmet learning needs. And insofar as institutions of formal learning are concerned, they are certainly "targets of opportunity."

Because the statement presents so well the challenge to higher education of statistics like these, it is attached (Appendix B).

Cross (1979 b, p. 80) points out, however, that "despite the fact that 89 percent of the adults who are currently participating in organized learning activities are high school graduates, two- and four-year colleges and universities are providing only about 37 percent of the educational services for adults." Nonetheless, colleges and universities are the leading providers of adult education.

In New York State both the Regents and the postsecondary institutions have been responding to this growth in adult students. The challenge for the 80's is to build on past experience and to find innovative ways to serve previous and new adult populations. A particular challenge will be to provide alternatives for adults with learning needs who do not now perceive postsecondary education as the way to meet those needs.

If institutions successfully meet this challenge, it will not be possible to project the enrollments of adult students in the 80's from an extrapolation of past experience and a simple analysis of demographic data. State and institutional policies will affect the numbers. The key question, then, is: why should efforts be made to attract and serve adult students?

II. WHY SPECIAL ATTENTION TO ADULT STUDENTS?

In this section a number of answers to the question are presented with no attempt to give an extended defense of the answers.

a. There is no reason in principle or on any practical grounds any longer to limit access to higher education on the basis of age or inability or unwillingness to make a full-time commitment to study. While some benefits of education may be time dependent, there is no sufficient basis for a public policy determination that the public benefits from the education of a sixty year old will be less than from an eighteen year old.

b. Adults have learning needs that can best be met by postsecondary institutions. Advanced education contributes to the quality of life of individuals, strengthens the capacity for adaptation to change, and increases opportunities for career development.

c. In a period of declining traditional student populations, institutions have capacities that would go underutilized, unless services are provided to new clienteles.

d. Adults are voters and taxpayers with legitimate claims on the resources of institutions and with the capacity, through the political process, to make good on those claims. Adults themselves, however, should be encouraged to assert these claims, and not educators presuming to speak on their behalf. If institutions serve adults well, adults will support them. If not, and if legislators only hear from institutions, the claims will be discounted.

e. Millions of adults do not start or complete postsecondary studies when they are young for various reasons—lack of interest, inadequate preparation, lack of need for further education in their chosen careers, or inadequate finances. Failure to participate at the traditional age is no reason for permanent exclusion, but, even more important, learning is possible and appropriate at any age. When the individual is ready, the opportunity should be there.

f. Governor Carey in his letter of April 14, 1978 to Chancellor Black on the 1976 Plan said, "Access to higher education by qualified individuals, regardless of their financial need, is perhaps the State's major policy goal in higher education." The Governor made no age or other qualification in this statement. Special efforts will be required to achieve this goal for adults from minority groups.

g. Adult students bring a mature and broadening influence to the campus, thus enriching the learning experience for all students.

h. Because much of adult interest in learning is job related, adult participation makes an immediate and direct contribution to the economy.

i. The faculties of postsecondary institutions have knowledge and skills of value to the economy that can most readily be communicated through instruction provided to working adults.

j. The changes wrought by science and technology on society and on jobs requires continuing opportunities for individuals to acquire new knowledge and skills, both to cope with changing society and new job requirements.

k. Because of the tendency for persons already having more education to seek more, there is a danger that, without special attention, the gap between the educational haves and have nots will grow.

l. The numbers of elderly will steadily increase, both in absolute numbers and as a proportion of the total population. By the end of the decade there will be more people over 55 than in the school-age population. They will be better educated than elders in the past. They will live longer and be healthier. They will need and seek opportunities to remain active and useful. Postsecondary institutions can provide those opportunities.

While many people respond to assertations such as those above with an affirmation of the legitimacy of seeking and serving adult students in postsecondary education, there are those who remain unconvinced—either because they question the need or value of higher education for adults; or, recognizing the need and value, question the desirability of devoting scarce resources to the education of adults when there are many young people in need of more or better education. As was said initially, arguments for the case for services to adults will not be made here except to note that, at least for the next decade, the resources to serve both youth and adults will be there if it is decided to use them.

Having said that, it should be noted that unused capacity ("institutional survival," in cruder terms) is an opportunity, not a reason, for serving adults. There must be legitimate adult needs to be served. There is a great danger in the present climate that needs of institutions will prevail over the interests of students. This has already led to such abuses as exaggerated claims for the benefits of education, generally, or of a particular program; too much credit being granted for prior learning; lower standards in admission, grading and graduation; reduction of proper faculty control over curricula and instruction; and the switching of non-credit to credit status of courses without change in substance for the purpose of earning more State aid. One principle to which these would be unwavering commitment on the part of all in higher education is that standards for adults should not be lowered. Applying this principle in practice while recognizing appropriate differences in the treatment of adults will be a major challenge as services to adults expand.

One final caution is in order: In the enthusiasm to increase postsecondary education opportunities for adults, we must not go to the extreme of creating an expectation that formal study is for all adults and forever. Not all adults need or want formal postsecondary education—credit or noncredit—and almost none want it permanently. Many adults do all the learning they need or want with the help of other institutions—schools, libraries, museums, community and religious organizations, employers and unions, radio and television. They also learn on their own or through informal association with persons of similar interests. A major aim of education should be to foster the capacity for such self-directed learning.

Institutions should reflect deeply on the proposition that the best environment for postsecondary institutions is a community of active learners. This proposition is based on the experience that people who study on their own in any formal or informal educational program are very likely at some time to participate in the offerings of postsecondary institutions. This means that institutions that view their mission as fostering learning wherever it may occur are more likely to attract students than are institutions that view the community as an arena of competition for the favor of a restricted number of students.

III. WHAT SERVICES FOR ADULT STUDENTS?

The clear thrust of this paper to this point is toward consideration of services that are and might be provided for adult students. The Board of Regents has for many years encouraged all higher education institutions to provide services to adults. It has itself set an example by providing services to adult students that are best provided on a statewide basis, services such as the College Proficiency Examination and Regents External Degree Programs, and the evaluations done on Non-collegiate Sponsored Instruction. Currently, a Statewide Educational Information Center network is being developed to provide better information and counseling services to adults. A special bulletin on financial aid for adults is being prepared. These and many other Department services are described in the publication, Adults Learning Here. (1979).

A major question for the Board of Regents is what additional services, if any, should be provided by the State Education Department and what recommendations regarding services should be included in the 1980 Plan.

Similarly, postsecondary institutions throughout the State have reached out to the adult student in creative and effective ways. Virtually every campus, both independent and public, provides some service for adults. Almost all admit adults to regular credit and non-credit programs. The result is that the average age on many campuses is well over 25. In addition, some institutions have special degree programs for adults, such as SUNY's Empire State College and Brockport State College, Skidmore College's University Without Walls, Adelphi University's ABLE Program, Fordham University's EXCEL, the College of Human Services, College of New Rochelle's New Resources Program, and The City University's College-Wide B.A., to name but a few. Other institutions have worked out special collaborative arrangements with business and unions to serve the special needs of groups of workers. Veterans, women seeking to return to the labor force, and senior citizens have been the targets of other special programs.

Adjustments in services to meet the needs of these adults have been numerous. Appendix A is a list of possible services, largely gleaned from reports from institutions. Additional suggestions may be found in a College Board publication, 350 Ways Colleges are Serving Adult Learners.

The intention in presenting the list is to be suggestive rather than enhaustive. Statements of activities are mixed with statements about characteristics that should be considered in carrying on the activities for adults.

It must also be emphasized that no institution can be expected to provide all services. Any institution that wishes to attract and serve adult students should provide many of them. Which ones should be provided is a matter that might best be worked out in consultation with current and prospective adult students. There are also survey instruments, such as the one developed by the SUNY Two-Year College Development Center. (Mangano and Corrado, 1978).

Each institution's 1980 Plan submission should specify what services will be provided to adult students and how these services will be delivered and monitored. This response should give due regard to the concerns expressed on page 4 of The Bulletin of the Regents 1980 Statewide Plan for the Development of Postsecondary Education, with particular attention to the concern for quality (#5). The following are the sections of The Bulletin that particularly relate to adult services: P. 23 Undergraduate Education—Special Student Populations; p. 27 Innovative or nontraditional graduate programs; p. 29 Off-Campus Instruction; p. 30 Enrollments. (In projecting adult enrollments, part- and full-time institutions may present the assumptions on which the projections are based. The assumptions should include assessments of the impact of commitment to services of the kind discussed here. Account should also be taken of the likely effects of actions by other institutions.) p. 49 Research; and p. 50 Public Service.

IV. WHAT ARE THE COSTS OF SERVICES TO ADULTS?

In the past, few institutions did a separate accounting of the full cost of services to adult, part-time students. These students were considered as an "add-on" to the regular operations of the institutions. Revenues generated by "regular" students covered the operating costs of the institutions. The marginal costs of serving adult students were viewed as minimal since buildings were paid for and heated; administration, libraries and other support services were covered; and even faculty costs were low because many adult classes were taught as overload by regular faculty or by part-time adjunct faculty, resulting in a lower per class cost than for regular classes. By the accounting methods used in many institutions, the adult student was a source of "profit"—generating more revenue than the cost of the services required.

However adequate such a view may or may not have been when adults were a small portion of total enrollments and revenues from regular students increased from year to year, such a view is inappropriate for the 80's when both conditions will be altered on most campuses.

It, therefore, becomes essential for institutions that do now or plan to provide services to significant numbers of adults to do a careful analysis of the true costs of serving various kinds of adults and to apportion institutional costs appropriately among full-time and part-time, credit and non-credit students. What does it really cost to provide counseling and library services for part-time students? For non-credit students? How much of facilities costs should be apportioned to non-credit courses? What are the cost consequences when increasing numbers of full-time faculty teach part-time and non-credit students?

Some institutions in New York State have experience in answering these questions. In addition, a study at Teachers College is working on procedures that will assist institutions in this regard and provide a basis on which an institution can compared its costs with others in similar circumstances (Anderson, 1979).

In their 1980 plans, institutions should do as full an analysis as they can of the costs involved in serving adult students. Such an analysis is essential for any institution that is projecting a substantial increase in the enrollment of such students. Without such analysis, it will be impossible to determine whether projected revenues will cover the costs of services.

In doing this analysis, institutions should be aware of a number of factors that may influence the cost projections:

1. It is often said that it takes four or five part-time students to equal one full-time student when costs and income are properly balanced. This proportion will vary among institutions. Also, institutions should consider what can be done to lower the ratio.

2. In most areas, there will be considerable competition among agencies for adult learners. This will add to the costs both of recruitment and of services necessary to make a particular institution attractive.

3. Though often heralded but not yet realized, newer technologies may in the next decade significantly affect the delivery of educational services. In particular, the microcomputer has the potential for greater impact than television. Just how it will affect postsecondary institutions is a matter that the Education Department and the institutions in the State should be examining together.

4. The counterpart to costs is, of course, revenues. If, as many expect, the true costs of services to adults will be higher than now realized, the question will be, who pays—the subject of the next section.

V. WHO PAYS?

From the institutional perspective the key questions are: (1) how much will adults pay for educational services and (2) will that income together with other sources of revenue be sufficient to provide the services desired by adults? From the public policy perspective, the key issue is how much, if any, additional public (State) subsidy of adult students should there be.

It is generally recognized that adults are more "price sensitive" than traditional students, i.e., small differences in the price (fees, tuition, and other costs) of education have a greater affect on adult decisions to participate than they do for traditional students. The reasons are not hard to see. For most adults, education is not their first priority. Family (including the costs of educating their own children), job and community responsibilities take higher priority. Most adults are not accustomed to thinking in terms of making a significant commitment of their personal financial resources to their own education. Most of the time such expenditures are viewed as discretionary and must, therefore, compete with other claims on family resources. If the perceived cost is too high, the adult will either forego the education entirely or seek lower cost alternatives.

Just how much on the average adults will be willing in the next decade to commit their personal resources to their own education is a matter for speculation, as is the effect of large scale institutional and governmental efforts to convince adults that increased personal educational expenditures are a "good thing."

In short, only experience will tell how much adults will spend for their own education in the next decade. What is certain now is that adult education is generally limited to adults who can afford the costs and increasing numbers of adults claim that finances are a barrier to their participation.

Adults do, however, have two alternative ways to get the costs of their education covered: from their employers and public revenues. Many employers now believe that the education of their employees is a direct benefit to them, and many also find that the provision of educational benefits helps to recruit and hold desirable employees. Because of rapid changes in technology and in the conditions under which most enterprises—public and private—operate, it is expected that the amount of education and training provided to employees will grow. Much of it is and will be provided "in house." What proportion will be provided by postsecondary institutions will depend very much on the ability of those institutions to demonstrate both to the employers and their employees that they can deliver needed, quality services at a cost to the employer and/or the employee that is competitive with the alternatives. It will also depend on institutional adjustment to such practices by employers as reimbursement only after successful completion of course work.

Because the investments of industry in education and training are and will be large, it behooves every postsecondary institution to consider how it might serve this "market." Not only can such services be a direct contribution to the strength of the economy of the State, they also relieve the pressure to cover educational costs from taxes.

Part of the costs of services to adults is, of course, already covered by public subsidy. Postsecondary institutions in the State now receive public funds and those funds to a greater or lesser extent help subsidize the costs of adults attending those institutions. In addition, full-time degree credit adult students who meet a needs test are eligible for State Tuition Assistance (TAP) and those who study half-time (6 hours a semester or more) also may be eligible for Federal financial aid. In current practice there are a number of barriers to the use of such aid by adults (Purga, 1979). To overcome one of those barriers, the lack of information on financial aid for adults, the Department is working with the College Board on a Financial Aid Guide for adults and is working on an Education Information Center network to disseminate such information.

Because most adults study part-time, the Board of Regents has recommended that TAP be extended to part-time students. The Legislature and the Governor must still be convinced to take this step. As they consider it, the question will inevitably be raised as to how much, if any, of the non-degree, non-credit study by adults should also be subsidized. If it is, should it be through aid to the students or direct subsidy to institutions or some combination of the two?

The essential questions to be answered are: (1) what are the public benefits to be derived from increased public subsidy of the education of adults; (2) how much of those benefits can be achieved without public subsidy (i.e., how much education will adults and their employers pay for, even without public subsidy); (3) how much will it cost to obtain the additional benefits; and (4) are the added benefits worth the added costs.

Public policy decision making is never as rational as these questions suggest. Nevertheless, as the State and nation contemplate the possibility of an increased public entitlement to education of adults, it is important to seek as much enlightment on these questions as possible. Ultimately, of course, the decision will be a political one—are the voters willing to support an increase in subsidies for adult students and either pay the taxes to cover the subsidies or reduce public expenditures in some other area?

One way we have traditionally settled such questions is incrementally—taking one step and seeing its consequences. This has been the history of public subsidy of education—first only primary education was subsidized, then secondary, followed in time by limited subsidies for such special areas of higher education as the land grant colleges or such special groups as veterans. As the value of each increment and its costs was assessed, the next step was taken until today, when it can be said that education at public expense is available to all persons up to age 21 to obtain a high school diploma and for all persons who have financial need and study full-time toward a college degree. Certain occupational education and training programs also now fully subsidized.

Is the support of adult students the next major step? If so, what form should that support take? Following are the major funding alternatives:

1. *No change from current arrangements (i.e., no special attention to adults).*—Under this alternative adults will benefit from State subsidies to SUNY and CUNY. Independent institutions will receive Bundy aid for adults who earn degrees. Needy adults studying full-time for degrees will qualify for TAP; they and others studying half-time or more will qualify for BEOG and subsidized loans. The numbers and, hence, the costs will depend on the intensity of efforts by institutions to attract and serve adults. This alternative is not likely to produce a significant increase in adult participation, and it will leave largely unaffected the present inequalities in participation rates that favor those with higher incomes and higher previous levels of education.

2. *Increased State funding for information, counseling, and outreach.*—This alternative is based on studies that show that many adults do not participate in

education because they are unaware of opportunities or unsure about their own goals and abilities. Many in underserved groups would not seek information and counseling without some outreach effort. Depending upon the intensity of the effort, participation rates could be increased at a relatively modest cost for each additional student and result in some increase in the amount of Federal funds coming to the State and in fuller use of resources.

3. *Subsidies to induce adults to enroll in areas of manpower shortage.*—Assuming such areas can be reliably identified, special grants could be provided to qualified institutions for programs; or financial aid could be given to students qualified on the basis of need and aptitude. This "targeted" approach would maximize short-term return on the public investment. The costs could be set at any desired level and the induced enrollment would be proportional to the funds expended.

4. *Increased subsidies for underserved adults—minorities, women, and those lacking high school diplomas.*—This alternative would extend to adults the State's commitment to equality of access. Possible options are:

a. Subsidies to adults who lack a high school diploma, some proportion of whom would probably continue with postsecondary study once the diploma is obtained. Since there are more than 6 million persons in the State who lack a high school diploma or equivalent, this is a large pool of potential students. Estimated costs are $38–$130 million, depending on the options chosen.

b. Subsidies for postsecondary programs specially targeted on underserved and underprepared students (see section II. B. 3.).

5. *Financial aid for all adults with financial need studying half-time or more in degree programs.*—Since most adults are unable to study full-time, this would extend the present TAP commitment to more adults and put them on the same basis as full-time students. The Regents have already endorsed this idea. The cost is estimated at $40 million when fully implemented.

6. *Subsidies to institutions to provide increased services to adults.*—Institutions are geared to services for traditional students. Without help many may not be able to make the adaptations necessary to serve adults or broaden services to the community. These could include development of programs to meet the training needs of industry, to promote greater inter-institutonal collaboration; to meet the inservice education needs of professionals, or to meet other public service and community needs. Considerable institutional discretion might be allowed so that funds could be used for financial aid for adults, for increased support services, such as counseling, or for non-credit or other public service programs. Funding level would determine the conduct of additional service that could be provided.

VI. HOW SHOULD COMPETITION BE CONTROLLED?

One of the most evident consequences of the decline in enrollments is the increased competition among institutions of all kinds for adult students. One need only read the educational advertising columns of the New York Times to get a sense of this competition. A major question before the Regents and all concerned with the interests of both learners and providers is how to insure that the resulting competition is as constructive as possible. As was suggested above (p. 10), if institutions work together to foster learning wherever it may occur, there are likely to be more persons seeking services than all of the institutions together can satisfy.

However, until such time arrives, there is going to be competition and some institutions are not going to survive at all, or not in their present form. Some program duplication will occur, and some adults will be over-served, while others are under-served. The question is how the competition for adult students should be kept in reasonable limits.

The following are the major alternatives:

1. "Market" Control

Except for the enforcement of regulations governing institutions and programs and, possibly increased support for information, conseling and outreach, the State would not intervene in the distribution of students among institutions. Decisions by individual students would determine which institutions and programs survive. Some unnecessary duplication of programs would be the price paid for freedom from excess regulation, but restricted resources are likely to keep such duplication to a minimum.

2. Voluntary Local or Regional Control

Interested institutions in a community or region would join together to plan programs, share information, resolve conflicts, and inform prospective students about learning opportunities. Since cooperation would be voluntary, the effectiveness would depend on the willingness of each institution to abide by collective decisions even when they seemed to go against its immediate interests. Such voluntary arrangements might be fostered by State support.

3. Mandatory Regional Control

The State would require review of new institutions and programs by some regional body that would be given the authority, either to deny approval to unnecessary or undesirable programs or to recommend such action to the State Education Department. This alternative gives the decisions to those likely to know the local situation and most affected by the decisions. It could mean, however, that institutional rather than student interests might be the primary considerations in reaching decisions.

4. State Control

The State Education Department would have the authority to deal directly with situations where there was undesirable competition or wasteful use of resources. State control is usually the least preferred alternative but could become necessary if competition becomes intense and institutions are unwilling or unable to regulate it among themselves in a way that serves the interests of the students and the public.

VII. CONCLUSION—QUESTIONS FOR DISCUSSION

The following are questions raised in the preceding discussion on which the
Regents will be seeking guidance in the Plan submissions and in the discussions
that will be held as part of the planning process:

1. How many adult students are there going to be in postsecondary institutions
in the 1980's? What are the assumptions on which projections should be made?

2. What target number of adult learners should each institution aim for?

3. Should each postsecondary institution make special efforts to serve particu-
lar groups of adults? On what basis should such determinations be made?

4. Should the State explicitly seek to increase adult participation in post-
secondary education?

5. If so, how much additional public funds should be devoted to this effort?

6. Which adults should be assisted, in what programs, and by what means?
In particular, what should be the mix of public subsidy between various forms
of aid to students (grants and loans) and aid to institutions (grants and per
capita aid)?

7. What new services, if any, should individual institutions and the State Edu-
cation Department provide?

8. Should an institution offer any programs or services to which it can attract
students or should it restrict itself to programs or services that relate to the
mission of the institution and the capabilities of regular staff?

9. How do institutions determine the costs of services to adult students? Is
assistance needed in this matter?

10. What should be done to promote increased employer support of education
in postsecondary institutions? How can institutions develop closer collaboration
with industry?

11. Should institutions in an area served by more than one institution be
required to collaborate with other institutions in planning services for adults or
should such collaboration be voluntary? Should there be incentives for
collaboration?

12. Should learners of all ages be integrated in common programs or should
there be separate programs (and classes) for adults?

APPENDIX A

POSSIBLE INSTITUTIONAL SERVICES FOR ADULTS—IDEAS AND CHARACTERISTICS

A. Pre-admission

1. Provide accurate, well-written, adult-oriented information materials, including materials on special adult programs, financial aid, and alternative ways of meeting educational objectives (independent study, external degrees, etc.).

2. Outreach services, particularly to underserved groups in the community.
3. Quick response information service.
4. Recognize work done in other postsecondary institutions and in programs in which students frequently participate (BOCES, businesses, proprietary schools, Regents External Degree, etc.).
5. Orientation programs on such matters as study skills, use of institutional resources, including opportunities to meet faculty and current adult students.
6. Collaborate with other information providers in the community.

B. Admission

1. Easy, speedy registration procedures.
2. Credit for prior learning, including transfer of previous credits.
3. Affirmative action in admissions for women, minorities, disadvantaged, handicapped, and elderly.
4. Use of College Proficiency Examinations, CLEP, and institutional examinations to validate prior learning.
5. Expeditious action on admission decisions.
6. One-the-spot assessment of potential for financial aid and timely decisions on aid.

C. Counseling

1. Full range of counseling services available at times and places convenient for adults, including diagnosis, academic placement, and career counseling.
2. Telephone counseling services.
3. Home counseling for elderly and handicapped.
4. Counselors trained or retrained to work with adults.
5. Peer counseling.
6. Client-centered counseling, i.e., no pressure on counselors to serve as recruiters for institution or credit programs.
7. Collaborate with employers to provide counseling.
8. Provision of aptitude, achievement and interest tests in nonthreatening environment.

D. Planning

1. Periodic needs assessments.
2. Inclusion of adult students on campus committees.
3. Provision of adult student access to governing board.
4. Collaboration with other educational, cultural, and community agencies.
5. Assessment of economic development needs.

E. Financial Aid

1. Aid available for all needy, qualified students, including students studying less than half-time, and non-credit students.
2. Deferred tuition plans.
3. Simple procedures for applying for aid.
4. Clear and fair refund policies.
5. Provision of financal need self-assessment and aid decision.
6. Speedy financial need assessment and aid decisions.
7. Financial aid administrative procedures geared to adults.
8. Training of financial aid staffs to serve adults.
9. Relate work-study opportunities to career objectives.

F. Instructional Services

1. Courses and degree programs designed for adult clientele.
2. Part-time and external degree programs at all levels (BA, MA, Ph.D).
3. Non-credit courses in a full range of subjects needed in the community.
4. Remedial courses in such areas as study skills, reading, writing, speaking, mathematics.
5. Study guides and materials (videotapes, audio cassettes, etc.) for off-campus and independent study.
6. Courses geared to the needs of specific industries or groups (i.e., police).
7. Continuing professional education programs.

G. Instructional Patterns

1. Diverse delivery modes (lecture, discussion, seminars, use of media).
2. Faculty skilled in teaching adults.

3. Courses at convenient times, including short-term, week-end, and other scheduling configurations and locations, including at work places and in facilities convenient for groups of students.

4. Assignments and grading standards as demanding as for traditional students, i.e. no unwarranted adjustments for adult students.

H. Campus Services

1. Libraries, bookstores, cafeterias—open at times adults are on campus and suitably available at off-campus sites.
2. Child care services.
3. Transportation and parking.
4. Access for handicapped and elderly.
5. Adult-oriented student activities.
6. Provision of places to study on campus.
7. Access to typewritters, computers, calculators.
8. Access to athletic and recreation facilities.

I. Post-instructional Services

1. Job placement.
2. Refresher workshops, seminars, courses.
3. Newsletters.
4. Credentials bank and transcript services.
5. Counseling.

J. Community Services

1. Consultant services to business, industry, government, community groups.
2. Research on problems in the community.
3. Use of facilities by community groups.
4. Collaboration with other educational institutions in provision of community services.
5. Opening of campus cultural and academic activities to the community.
6. Joint needs assessments.
7. Public service programming via "study circles", television, radio and off-campus non-credit courses.

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INCHING TOWARD THE LEARNING SOCIETY

(By George W. Bonham*)

Throughout this complex and changing nation, there are now thousands of educational institutions in search of new learners, and there are millions of Americans in search of some fresh learning experience. But between those two quests and their respective goals stand a host of complexities that are often overlooked by enthusiasts for a prospective learning society, or they have triggered an excessive amount of skepticism and cynicism in the doubting Thomases.

The facts probably lie somewhere in between. Perhaps, to be more precise, they hover somewhere between the Greek ideal of *Paedeia*—a society given to the lifelong growth of each citizen—and the quick-buck temptations of some troubled colleges to fill their empty seats with adult learners. Neither extreme describes the state of our learning society of the late seventies, of course, and whether we reach closer to the high end of the spectrum than the low will largely depend on how matters develop over the next 10 years. For the moment, the prospects of enriching the lives of tens of millions of American adults through further educa- tion remain easily matched by the attendant complexities and institutional astig- matisms on this issue that pervade not only education but every other major American institution concerned with human development.

"The conception of individual fulfillment and lifelong learning," says John Gardner, "finds no adequate reflection in our social institutions. For too long we have paid pious lip service to the idea and trifled with it in practice. If we believe what we profess concerning the worth of the individual, then the idea of individual fulfillment within a framework of moral purpose must become our deepest concern, our national preoccupation, our passion, our obsession."

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None of the present signs of a nation now profoundly troubled by critical survival issues such as energy, recession, and inflation point to any early flourishing of John Gardner's vaunted "national passion." Nor can one, in saying that the learning society is here, pull it out of a hat. We find ourselves at an interesting conjunctive moment, however, where visions of what may become possible can be tempered by the realities of what is possible and what we can know. Educators in still appalling numbers have but the slightest conception of what adaptations, what changes, and what new basic attitudes lie ahead for them if they are to share the fruits of a new learning society and not just write about such prospects in their journals.

To help bring about some further understanding of the intersecting trajectories of education and the workplace, between the learning needs of adults in life transition and academic capabilities to meet them, the Council on Learning, *Change's* parent foundation, recently organized an advisory group of authorities in these various interstices of the work-education constellation [see box] to offer some selective visions of just what might be ahead. The Council was fortunate in having as collaborators the Harvard Graduate School of Education—and the National Institute of Education, which funded this exercise. What appears in these pages is the product of this collaboration: a series of essays and an edited version of a two-day conference held at Harvard, to which we invited 50 thoughtful Americans from various walks of life to debate the essays from their professional perspectives.

Perhaps this volume raises more questions than it answers. That should surprise no one. But to journey around some of the peripheries of these complex issues without preconceived notions has its own merits and deserves perhaps wider understanding. A certain humility on these issues may in fact advance the cause of continuing education. It certainly will not hurt it.

For an expanding roster of academic institutions, beset by growing nightmares of declining student enrollments and unremitting inflationary pressures, the prospect of what might lie out there in terms of potential adult learners may seem like some alluring phantasmagoria. It includes, to wit, the following:

60 million Americans now find themselves in some form of instructional setting, with 46 million of them outside our formal school and college systems.

40 million Americans regard themselves at any moment in time as undergoing some form of career transition.

Over $17 billion in educational benefits is available, of which only a small fraction is being utilized.

Business and industry alone spend $10 billion annually on training and upgrading.

And the needs for adult learning seem equally impressive:

65 million Americans lack basic competency skills.

15 million Americans lack college degrees.

12 million professionals require regular in-service education.

This reflects a staggering compilation of unmet learning needs. And insofar as institutions of formal learning are concerned, they are certainly "targets of opportunity." But time and again, logical assumptions about the likely success rates of adult learning experiences have not been borne out by the facts. Educational opportunities provided on plant sites often suffer from quick erosions in enrolments. Tuition assistance programs provided by industry remain largely unused. And those adults who would appear to need educational opportunities most are on the whole not the ones to knock at the college doors. As part of a major program of the College Board—the Future Directions for a Learning Society, funded by the Exxon Education Foundation—a new pilot study of American adults in transition reveals just where the immediate potential for adult learners seems to lie. In a representative sampling of 1,500 adults, the profile of today's adult learner is described something as follows:

Learners are slightly more likely to live in urbanized areas. Adult participation in learning is below average in places of less than 2,500 population and in rural areas.

Learners are considerably younger than nonlearners. Twice as many learners as nonlearners come from the group aged 25 to 29, while only half as many come from the group aged 65 to 69. Half of all adult learners are under 40.

Blacks supply considerably less than their proportionate share of learners; Hispanics supply their share; whites supply a bit more than their share; other groups supply considerably more than their share.

Learners are considerably better educated than nonlearners. Adults who have gone beyond high school are twice as likely to learn as those who have not. Only about one of five with eight years of school or less participates in learning.

Adults with high incomes are more likely to learn. Twice as many learners as nonlearners come from families earning $25,000 a year or more. The break point comes at family incomes of $10,000 or more: above it, learners outnumber nonlearners; below it, nonlearners outnumber learners. There is no income ceiling on learning; two out of three adults from families earning $50,000 a year or more are engaged in learning.

Employed adults are far more likely to engage in learning than unemployed adults. Those who are working full time are even more likely to learn than those who are working part time. Fewer than one out of three retired persons are engaged in learning. In short, the more work a person is doing, the more likely he or she is to engage in learning.

Of all occupational groups, adults in professional and technical work are most likely to engage in learning, while those in farm work are least likely. There is a clear relationship between the amount of training required to enter an occupation and the need or desire to continue learning.

Adults employed in business and professional fields are more likely to engage in learning than those employed in agriculture, mining, construction, and transportation.

Participation in learning drops sharply among adults who have five or more children. The learning of adults with fewer than five children is unaffected by the number.

Females with children under 18 are considerably more likely to engage in learning than females with children over 18.

Adults in the Pacific Coast states are more likely to engage in learning than those in any other region, while adults in the South Atlantic states are less likely than in any other region.

Single adults who have never married and divorced adults are more likely to engage in learning than others, while widowed adults are less likely.

There are no differences in adult learning according to sex or number of persons in the household aged 25 or older.

Even when the potential learners are out there, the ability of traditional campuses to accommodate them must still be seriously questioned. Serving sizable numbers of adults in transition with major success may also require a fundamental transformation of the entire college community. As Richard Bolles makes clear in his essay beginning on page 40, the adult learner in a major transitional period requires learning skills and pedagogic approaches quite different from those commonly associated with the adolescent college attender.

Faculty sociology, administrative procedures, and, indeed, an entire college's educational philosophy, may effectively transform that institution into a place bearing little resemblance to what it had been before. That transformed college may be better or worse for the change, but it will be different. One example of such a transformation is Mercy College in New York's northern suburbs. Ten years ago, Mercy was a faltering Catholic women's college with a $1 million budget and fewer than 1,000 students. Today it is a throbbing $16 million coeducational enterprise with six learning facilities in New York and Miami and 8,500 students, 57 percent of them over 25. Of Mercy's total tuition income 60 percent is now derived from part-time adult learners.

One of the most useful guides for colleges wishing to consider seriously their potential for serving adults has recently been published by the College Board's major learning society project. It is must reading for college planners and faculty alike.[1] What it impresses on the reader, in addition to its 350 concrete recommendations, is the agility of thought, the entrepreneurial spirit, and the marketing skills that spell essential ingredients for success. One hardly finds these qualities in abundance on most campuses.

For a nation facing virtually a zero growth rate and the increasing necessity to shift people from one economic function to another—and that probably three or four times during a lifetime—human coping skills become of obvious paramount importance. Neither the schools nor our colleges have thus far done very well in matching their educational capacities against these human developmental needs. Occupational adaptability thus becomes a major social objective and it must be encouraged by greater flexibility on the part of every educational institution, by a more vigorous federal interest in lifelong learning, by far better accessibility and information networks, and by much closer collaboration between work managers, governments, unions, and academic and cultural enterprises.

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[1] Write for 350 Ways Colleges Are Serving Adult Learners. College Board Publication Orders, Box 2815, Princeton, N.J. 08541. For other excellent source materials in addition to the College Board's, write to Work in America Institute, 700 White Plains Rd., Scarsdale, N.Y. 10583; the National Manpower Institute, 1211 Connecticut Avenue, N.W., Washington, D.C., 20036, HEW's National Institute of Education for its NIE Papers in Education and Work, and the National Center for Research in Vocational Education, Ohio State University, 1960 Kenny Road, Columbus, Ohio 43210.

Whatever the future shape of this society, there remains little doubt that greater functional flexibility will become a necessity for vitually every adult American. For the colleges and universities, there is a certain irony in all of this: As society's traditional agents of youth processing, academic institutions now find themselves challenged and stymied by widespread student diffidence and by their often single-minded vocationalism. It is not difficult to see why. Federal projections show a prospective surplus of some 1,000,000 college graduates in relation to national needs. The Joint Economic Committee labor study released last year predicted that this glut of graduates "will mean relatively few opportunities for new graduates through the year 2000."

If that is indeed so, it is also true that the challenges of a high technology society and rapidly shifting labor needs will offer ample new opportunities for learning renewal for these very same college students, only 10 or 20 years later. Academic institutions should and will have a vigorous and imaginative involvement in meeting the challenge of adult renewal. To be sure, these prospective work role dilemmas and distortions pose enormous challenges for every major American institution. But if American higher education is to survive in some semblance of its present size, these national issues of human transition and functional adaptability must be seriously addressed. Academic institutions should take some important initiatives now, not out of sheer greed but out of their deep conviction that education will continue to provide much of the lubricating oil that makes such national and individual passages possible.

Whatever the outcome, it is perhaps better to crawl toward the new learning society than to leap into it blindly. It will take the best human imagination, new communications technologies, and high institutional courage to bring all of this about. The new learning society, like Rome, will not be built in a day. But that day can be hastened. Twentieth-century higher education came of age with the advent of our Land-Grant institutions 100 years ago. The time has come to think of new People-Grant institutions, a challenge unequaled for higher education since the founding of Harvard College in 1636.

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Mr. BIAGGI. Our next witness on this panel was to be Mr. Victor Gotbaum, president of District 37 of the American Federation of State, County, and Municipal Employees, but he was unable to be with us. He has sent instead his representative, Mr. Thomas Taffee.

STATEMENT OF THOMAS TAFFEE, DIRECTOR, UNION COLLEGE CAMPUS, ON BEHALF OF VICTOR GOTBAUM, PRESIDENT, DISTRICT 37, AMERICAN FEDERATION OF STATE, COUNTY, & MUNICIPAL EMPLOYEES

Mr. TAFFEE. Mr. Gotbaum asked me to come and say a few words to the panel to get them a sense of the needs and problems of adult working students as we know them.

I have been the director of the Union College Campus over the last 7 years, and I don't think what I have to say gives new information, it just confirms, I think, a sense of outreach to which you have been responding over the years.

I will keep my remarks brief.

At district council 37, over the years, there really has developed a microcosm of the entire structure of American adult education. Besides delivering traditional education course, the traditional of the Department of Education, you will find often throughout every week of the year basic education courses, college prep courses, preparation for civil service and language skill programs, continuing education programs for our members who have retired, higher education programs, including its own college campus.

We have negotiated with the New York City Educational Benefit Fund for their services, and to provide supplemental financial aid to students who go to college. It is in an institutional context that I have learned what I know about the needs of the working adult students. I will focus a few remarks on the working adult and higher education, since that is the interest of this hearing, and it is my direct responsibility at the union.

What do they want from higher education? What are their needs? These are pretty much the questions that I have addressed myself to.

I think in its simplest form, the nontraditional student is somebody who did not go to college at the normal time. It becomes somewhat of a stigma to many people because they did not go to college right out of high school, or a year or two thereafter. Many people feel when they get into their middle years that they have failed, or have been bypassed.

To some people, the nontraditional student who did not have the traditional college at that particular time because they could not afford to, because they had families, or because they had such a bad primary and secondary school experience and they were not prepared for college, they were led to believe that they were not college material. This is quite obviously heartbreaking.

Our students are workers for the city of New York. Our adult population in need of a college education are predominantly clerical workers in low-paying jobs, predominantly women, predominantly black, and our union is sympathetic to the inequalities of our own democracy. It encourages you and it encourages me to continue the efforts which have been very helpful through access to programs, through access to legitimate education.

What do these nontraditional students really want from higher education? Who are they?

For example, in New York City, they are nurses' aides who want to become nurses. They are case agents who want a full opportunity to serve. They are school or neighborhood workers. They are clerks seeking jobs that will enable them to make a more meaningful contribution—access to opportunities that they want and deserve.

What do they need from us and from you? It is not something that you have not been trying to do, and have not been responding very well to, obviously, through continued financial support through tuition assistance which makes available to them the same opportunities as traditional college students, or equal opportunities, often equal to what traditional college students have had, and child care, support for books, tuition, and so on.

There are some special needs, particularly in part-time students, who are almost all adults, and do not get as much financial support from institutions or from the State of New York as the full-time students do; whatever help can be given to help people taking three credits at a time, some financial support that will help them begin that small effort to make a more meaningful working life in the city of New York.

Finally, I think what I see as a director a union campus, what they need is something that perhaps only a network can provide. They need the kind of reenfranchisement. They need to begin to believe that they belong in higher education. They need to know that there are programs tailored to meet their experience and to their possible career mobility.

They need to be embraced by the institutions, and not to be dealt with as a second-class member of the college. The society in which they are received looks upon adult higher education degrees as something less than legitimate education. They need the support and the devotion to quality education inside the institution.

Obviously, there are connections between what happens to the part-time financial support and lifelong modes. The full employment bill is very important to what happens to our students. It does our society no good if, after 8 or 9 years, they finally have degrees that lead them nowhere. So there must be access on the other side to the receivers of degrees.

As I said, I don't think that I am saying anything new to the committee. I am trying to confirm by experience in working with adult populations for over 7 years that the work that you are doing is desperately needed by us, and I would say, highly worthwhile in our democracy.

Thank you.

Mr. **Biaggi**. You made reference to a network of programs, and my observation is that Mercy College and other colleges are doing exactly that with no other motivation than personal enrichment.

Mr. **Taffee**. A union leader who worked for UAW for years and years in the education department, and he used to say that he wanted liberal arts programs. He said, "I went to the Prado 3 years ago. My

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son spent 3 days there, and I spent half an hour. I did not know what to see." Workers have been denied that kind of education.

Mr. **Biaggi.** You make my point.

Our next speaker is Ms. Bernice MacDonald, assistant director, branch libraries, New York City Public Library.

STATEMENT OF BERNICE MacDONALD, ASSOCIATE DIRECTOR OF THE BRANCH LIBRARIES, NEW YORK PUBLIC LIBRARY, ACCOMPANIED BY JACQUELYN THRESHER, ADULT SERVICES CONSULTANT, WESTCHESTER LIBRARY SYSTEM

Ms. **MacDonald.** Good morning, Mr. Chairman, and members of the committee. I am Bernice MacDonald, associate director of the branch libraries of the New York Public Library. I must say that it is a pleasure for me to be speaking before the committee which has members who have supported my own library very, very strongly. It gives me a sense of security here.

I will also be speaking from the background of serving with the New York State Regents Advisory Council on Libraries and the Advisory Council on Adult Learning Services for New York State, whose chairman is Dr. Kurland.

The colleague joining me this morning is Jackie Thresher, adult services consultant for the Westchester Library System, who also serves as the chairman of the Library Services and Construction Act Advisory Council for New York State.

We are here this morning to urge that when the subcommittee presents its legislation to reauthorize programs conducted under the Higher Education Act, it will give official recognition to, and make clear provision for, approximately 15,000 American educational institutions that are neglected in the present statute.

Those educational institutions are the public libraries of the United States. Long referred to as "Everyman's University," the library is, in countless American cities, towns and villages, the place where citizens of all ages and all educational levels come to improve themselves and to advance their status.

This is particularly true of those whom Mr. Biaggi and Mr. Peyser have called "the ever-growing nontraditional student population." These are adults beyond the traditional 18-to-22-year-old age range for traditional college and postsecondary education. They are frequently employed, busy with families, or otherwise unable to engage full time in educational pursuits. They flock to their libraries for held in that search.

Why to their libraries? Well, the college board recently published a study entitled, "40 Million Adults in Career Transition," wherein half of those adult students said they didn't know what educational opportunities existed. The study also said that this lack of information was the biggest obstacle.

I submit to you that the public library in the United States is where Americans go to find out things. It is, above all else, a provider of information. Libraries are usually conveniently located. They offer the citizen a rare opportunity to get a direct and personalized benefit from his or her tax dollars. And they can be assumed to have immediately at hand the books, catalogs, brochures, directories, and study guides that someone looking for educational opportunities needs to consult.

Educational advice is, moreover, a particular kind of information that libraries have long specialized in. In my own State of New York, 18 of our 22 public library systems have established adult services of one kind or another. The public library is, after all, a familiar, free, established community institution. Nobody who seeks information there on educational opportunities will be pressured toward this or that particular institution or course.

The local library is a nonthreatening, neutral environment that costs nothing to use. With the proliferation and variety of educational resources that exist today, the need for a centralized impartial source of information is all the greater.

The Learner's Advisory Service at my own institution, the New York Public Library, may be taken as a case in point. It is a well-established and much used facility of our branch library system, which operates more than 80 libraries in the three New York City Boroughs of Manhattan, Bronx, and Staten Island.

With a staff of eight professionals at six locations, the Learner's Advisory Service describes itself to the citizen as "Your free service and information center offering guidance and support when you are looking for educational opportunities."

Anyone who wishes can telephone any one of the six branch libraries where Learner's Advisory Service functions and make an appointment for at least one-half hour of individualized attention to that person's own particular needs and educational or vocational goals.

During 1978, 4,134 New Yorkers took advantage of this service. I am happy to say that during the first 6 months alone of 1979, we have achieved 80 percent of that total for all of last year. This is surely one strong indication that the need is there, and is growing.

Another is the Adult Education Hotline of Ms. Thresher's Westchester Library System in the county north of New York City. This is a telephone referral service that offers free and fast information about learning opportunities available in the Westchester area. Last year no fewer than 5,000 adult residents of Westchester County sought and received such information from the Hotline.

In these few moments I have tried to emphasize the preeminent role of our American public libraries in offering educational information to Americans in general, and to our growing nontraditional student population in particular.

I urge you to help us continue to strengthen that vital role by making appropriate modifications in title I, Continuing Education and Community Services, of the Higher Education Act. Whether you choose the mechanism and channels provided in Congressman Ratchford's bill or others, I suggest to you that the time has come to adjust Federal higher education policies to take much greater cognizance of the adult, part-time nontraditional student, and of the public library that plays such an important role in helping that student.

Our services are in place, functioning, and ready to expand as widely as possible. But we cannot, and should not have to, continue to rely exclusively on our severely strained municipal appropriations and the private funds some of our library systems have gone out and solicited to keep their Learner's Advisory Services going.

Thank you. Ms. Thresher and I will be happy to try to answer any questions you might have.

Mr. **Biaggi.** Ms. Thresher?

Ms. **Thresher.** We were asked to combine our statement, and Ms. MacDonald has presented it. The only thing that I would like to add is, I would like to urge the combining of title I(a) and I(b), and many of the proposals in Mr. Ratchford's bill.

I am particularly interested in the creation of a National Advisory Council on Life-Long Learning, so that we have some coordinated national policy, and some of the kind of planning that we have been talking about, broadening the range of institutions to include libraries, labor, and other kinds of community based educational systems in a network to provide services to adult learners.

[The prepared statements of Ms. MacDonald and Ms. Thresher follow:]

Prepared Statement of Bernice MacDonald, Associate Director, Branch Libraries, the New York Public Library

Good morning. I am Bernice MacDonald, associate director, branch libraries, the New York Public Library. I will be speaking also from the background of serving with the New York State Regents Advisory Council on Libraries and the Advisory Council on Adult Learning Services for New York State. The colleague joining me this morning is Jackie Thresher, adult services consultant for the Westchester Library system who also serves as the chairman of the Library Services and Construction Act Advisory Council for New York State.

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Thank you, and Mrs. Thresher and I will be happy to try to answer any questions you might have.

BRIEF CASE HISTORIES OF LEARNER'S ADVISORY SERVICE USERS

A young man came in who was job hunting. He had been to many colleges, but had no degree. An agency to which the library referred him showed him how to combine his various credits in such a way as to earn a degree relatively easily. His last words to the Learner's Advisory Service advisor were, "You've not only made my day—you've made my decade!"

The superintendent of an apartment building said he wanted to undertake a college education now, though he had dropped out of high school many years ago to enlist in the army during the Korean war, and is now supporting a large family. With the help of the Learner's Advisory Service, he accumulated more than 60 college catalogs and eventually work out a program that was appropriate to his goals and his other activities. He is now well along toward his B.A.

A banking executive who needed a degree to achieve a promotion for which he was otherwise qualified took 10 different examinations in a single week with the help of the Learner's Advisory Service.

A housebound woman has recently been enrolled, with Learner's Advisory Service assistance, in a college program that will enable her to earn substantial income at home.

Recent clients have included a neurosurgeon from Africa, an Italian doctor, and a popular entertainer whose touring schedule seemed to rule out the possibility of further education until correspondence courses were arranged.

There are many cases of families in which more than one member has utilized the Learner's Advisory Service. Brother and sister combinations, husband and wife, et cetera.

PREPARED STATEMENT OF JACQUELYN THRESHER, ADULT SERVICES CONSULTANT, WESTCHESTER LIBRARY SYSTEM; CHAIRPERSON, NEW YORK STATE ADVISORY COUNCIL, LIBRARY SERVICES AND CONSTRUCTION MEMBER, NEW YORK STATE ADVISORY COUNCIL, EDUCATIONAL INFORMATION CENTERS

RECOMMENDATIONS

1. I urge a national commitment to lifelong learning and Federal expenditure to meet the needs of adult learners.

2. In order to maximize returns on the Federal investment in lifelong learning, titles 1–A and 1–B should be consolidated into a single lifelong learning program.

3. Many of the proposals in Representative Ratchford's bill—H.R. 4531, the "Lifelong Learning Act of 1979"—should be incorporated into the consolidated title 1–A and 1–B, Lifelong Learning Act.

I especially support the involvement of a wide range of institutions including colleges, libraries, business, labor, and community-based educational institutions, and the creation of a National Advisory Council on Lifelong Learning.

Public libraries are educational agencies. They assist adult learners in a variety of ways—education information and referral; career-life planning; educational and career counseling; self-directed learning; remedial instruction such as reading, study skills, writing research papers; workshops, seminars, noncredit courses; career education; and parent education. (I have attached a brief description of three library-based programs for adult learners in Westchester as examples.)

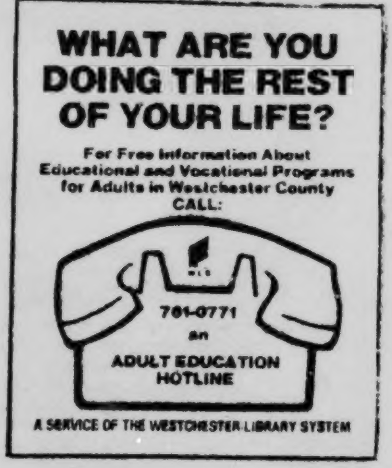
4. With the consolidation of titles 1–A and 1–B and the Ratchford bill, the funding for the Lifelong Learning Act should be increased.

5. The base allocations for each State should be eliminated. Allocations should be made solely on the basis of size of target population in each State.

THE ADULT EDUCATION HOTLINE is a free telephone educational information and referral service.

THE HOTLINE provides information of educational, vocational and leisure learning programs available to adults in the Westchester area as well as referrals to regional educational and career counseling services.

THE HOTLINE has served over 5000 adult learners.



WHAT ARE YOU DOING THE REST OF YOUR LIFE?

For Free Information About Educational and Vocational Programs for Adults in Westchester County CALL:

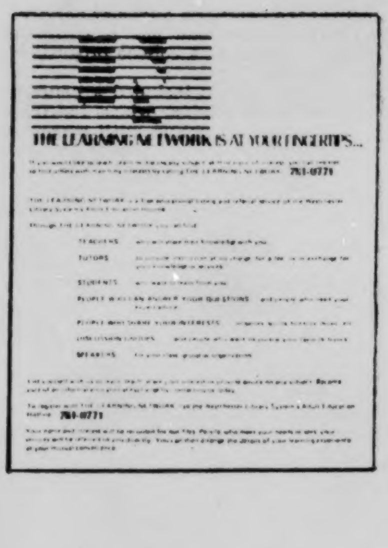
761-0771 an ADULT EDUCATION HOTLINE

A SERVICE OF THE WESTCHESTER LIBRARY SYSTEM

THE LEARNING NETWORK is a free telephone listing and referral service which links people to people for the purpose of teaching, learning, or sharing information and interest.

An alternative educational service, THE LEARNING NETWORK expands the learning options of Westchester adults.

THE LEARNING NETWORK eliminates many of the barriers to learning for adults who can't take advantage of structured educational programs because of costs, transportation, or time limitations.



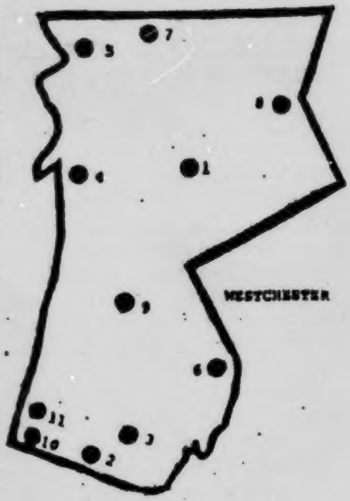
THE LEARNING NETWORK IS AT YOUR FINGERTIPS...

JOB INFORMATION CENTERS - A PUBLIC LIBRARY SERVICE WHICH ASSISTS THE UNEMPLOYED, UNDEREMPLOYED, ADULTS IN CAREER TRANSITION, AND RE-ENTRY ADULTS.

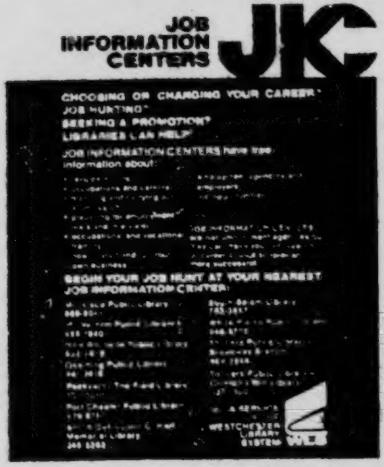
Many libraries have established Job Information Centers (JIC's) as a response to the serious problems of unemployment and underemployment; the increasing numbers of women seeking to re-enter the labor force; and the needs of adults who will seek to change their careers several times throughout their lives. JIC's collect and organize all resources related to employment and career selection in single convenient locations as information clearinghouses to simplify the problems of career choice and finding employment.

JIC's may include: civil service announcements; classified sections of newspapers; reference and circulating books, periodicals, pamphlets and audiovisual materials about all aspects of the job search; job listing services; information on area employment agencies; and job listings from local employers.

Many JIC's also sponsor seminars and workshops on topics such as: resume writing; interviewing skills; second careers for teachers; and career life planning. Some provide vocational testing and offer career life planning assistance on a one-to-one basis by career counselors or librarian advisers.



1. Mt. Kisco
2. Mt. Vernon
3. New Rochelle
4. Ossining
5. Peekskill
6. Port Chester
7. Shrub Oak
8. South Salem
9. White Plains
10. Yonkers-Broadway
11. Yonkers-Will



JOB INFORMATION CENTERS JIC

CHOOSING OR CHANGING YOUR CAREER?
JOB HUNTING?
SEEKING A PROMOTION?
LIBRARIES CAN HELP!

JOB INFORMATION CENTERS have free information about:

BEGIN YOUR JOB HUNT AT YOUR NEAREST JOB INFORMATION CENTER:

WESTCHESTER LIBRARY SYSTEM WLS

Mr. **Biaggi.** Thank you.

Mr. Irwin Polishook, vice president of American Federation of Teachers, and president of the Professional Staff of the City University of New York.

STATEMENT OF IRWIN POLISHOOK, VICE PRESIDENT, AMERICAN FEDERATION OF TEACHERS, AND PRESIDENT, PROFESSIONAL STAFF OF THE CITY UNIVERSITY OF NEW YORK

Mr. **Polishook.** Thank you very much for this opportunity to speak, and especially for the courtesy in allowing me to speak with the arrangements made only in the last few days.

I was much taken by Congressman Ratchford's comments about the number of hearings that the committe has already had, and I think more that the committee intends to have. I take the comment as a matter of pride on the part of the committe with respect to your own legislative functions. There is an awful lot of cynicism out there in the public, and people don't realize that the Congress, and Members of Congress, and I know personally the members of this committee, have taken their responsibilities very, very seriously.

So when Congressman Ratchford speaks with pride, I would like to reiterate the fact that the public is very well served by people who take their responsibilities to heart, as this committee does.

I do feel very strongly that some of us who have a chance to meet with you, both privately and publicly, have an obligation to report the kind of service the public does perform. Congressman Ratchford said it on your behalf, and I would like to reiterate it on our behalf, represented the public.

I have had myself several opportunities to make presentations to members of this committee and to other government agencies on behalf of the American Federation of Teachers respecting the entire sweep of programs involved in the Higher Education Act and the reauthorization process.

I say that because it is almost impossible to limit to the title I discussion the subject of adult learning. Congressman Biaggi's opening statement makes reference particularly to the half-cost provision and to the exclusion of part-time student assistance both by the State and the Federal Governments, so that adult learners in other titles do not have the opportunities that might be provided, and partly provided by the Congress.

I will not refer to that further today, but we will in the future, in our own presentation, make reference to that and to changes that are required in that.

We do agree, at the American Federation of Teachers, in the proposals that Congressman Biaggi made here today. What I would like to do today is make a proposal for a new piece of legislation, if you will, a new concept respecting adult learning and our own interest as a labor union in the education of workers, and the improvement of workers.

Currently there are any number of government programs that provide for education of adults, and also provide assistance to labor unions in educating adults. I think particularly of several programs sponsored by the Department of Labor and some that are fostered by the AFL-CIO, which gives the money for the education, both worker-oriented programs and cultural improvement programs for individuals.

The American Federation of Teachers believes there is room for a separate program under the Higher Education Act which will be designed for individual workers by individual labor unions that take advantage of existing needs and opportunties today.

What we are going to propose, and we will present a more detailed proposal next week, is target program for worker education development, and work education which takes specific advantage of the following things, and was specifically designed to take advantage of three things, in particular.

One: There exists today literally millions and millions of dollars of education benefit funds that have been negotiated by labor unions throughout the United States, the overwhelming proportion of which is unspent by the labor unions and unused by the workers that are supposed to benefit from it.

I say this in face of the fact that the district 37 council has done an absolutely marvellous job with its own programs, but it is the exception and not the rule, unfortunately.

We have made our own survey of these contracts, both what is provided and also what is spent, and we find that only a minuscule portion of what had been provided is spent. What we are going to propose is a target program that will be designed for a labor union in different parts of the country, and in this case, let us say, the American Federation of Teachers will take advantage of the existing contractual benefits and the moneys provided in order to encourage, in order to provide, in order to work out, programs that will take advantage of the benefits that have been negotiated for them. That would be one part of our target program.

Second: What we would also like to do as a labor union throughout the country, not only us but other unions, is to try to develop a career-ladder program with management, a joint program for workers, one that would be work oriented and also to the degree that cultural improvement does have a work related benefit, one that would clearly improve workers, availability for management, for industry, in terms of skills, in terms of competence, and in terms, finally, of providing a ladder of opportunities for people throughout the country, but particularly for workers in labor unions. That would be a second part of our target program, and it would be a second category under which we would hope moneys might be provided for model programs.

Third, and this relates specifically to our own union, since we have large unions in higher education already represented by the American Federation of Teachers, including my own university, I would like to see through the American Federation of Teachers and the local unions that are represented by this affiliated structure, and also by utilizing the moneys already provided by union contracts and in some cases by initiating separate programs with employees, to locate programs for worker education and worker educational benefits in institutions of higher learning throughout the United States.

There are several samples that already come to mind. This is not a new idea altogether, particularly Wayne State has a program upstate called the "pace program," which is designed for adult learners, and does basically what we will propose in detailed legislation next week.

This will be a program which Congressman Ratchford recommended, highly targeted and reasonably specific as to the benefits, the objectives, but particularly to build upon needs and opportunities that now exist.

The American Federation of Teachers believes that it is the responsibility of labor unions to reach out beyond the more limited institutional objectives. We believe that the improvement of this society, of which we are a part, and the people that we represent can be served by the type of program we will recommend next week.

Accordingly, I wanted to have the opportunity, and our national president will speak to that at a future time before the Congress, or before appropriate committees of the Congress, to foster this idea which will be a new proposal by the American Federation of Teachers.

Thank you very much.

Mr. BIAGGI. Thank you very much, Dr. Polishook.

The testimony that the witnesses have given is very thought-provoking. I have a number of questions, and I am sure my colleagues do also. What comes to mind, what I extrapolate from all of the comments, is that there seems to be a need for shifting of considerations in light of the pragmatics of the day.

It is predicted that there will be a diminution in the population among the young. It is predicted that there will be sharp increases on the part of the adult nontraditional population. The need, obviously, becomes apparent, but I am just as sure that there will be some resistance to any possible shifting. The optimum would be to fund in a more generous fashion for both segments. That is the optimum, but again pragmatics; I don't know that the Congress will respond to the degree which the optimum would require.

Then it becomes a question, I am afraid, of choices, at least some modification, and in the end the educational system will be preserved by the entry of the increased number of adult population, and absent those people their closings of colleges and closings of many institutions. This way, at least, they would continue to function, but not with the same population.

So I think that makes the point even more emphatically. The question is, How do we respond when it comes to a matter of choice, given the financial limitations? Who would care to respond to that?

Mr. RATCHFORD. Just briefly, and then I will join you on the other side of the table.

The only realistic solution in this day and age is a shifting of emphasis. I don't think the optimum is going to occur. I, too, wish that we could well fund both segments, but knowing the realities, having participated as a new Member of Congress in the 3-week debate on the budget resolution, let alone authorizations and appropriations, I think to fund at the optimum is not going to occur.

Then we face the second choice, which is a shifting of emphasis. If we don't shift emphasis, we run the very real danger of losing support for both segments, the traditional student and the nontraditional student, because the nontraditional student is the taxpayer who funds both segments of the system.

For example, if the retiree does not see anything in higher education that is an opportunity for a retiree, if the factory worker does not the inner-city person feels that he or she is denied higher education, then we will not have support for the traditional higher education, and we will not have opportunity for the nontraditional student.

So I think a shift of emphasis is clearly called for, and it is the approach in the legislation that I have filed.

Mr. **Biaggi.** To what degree?

Mr. **Ratchford.** I think the other participants at the table are more qualified to speak to that.

Mr. **Biaggi.** You see a situation developing, and most of this is philosophical, where people set the young against the old.

Mr. **Kurland.** I don't have to put it in those terms. The fact is that the numbers of younger students will be declining, and declining very precipitously. If the only concern is to preserve institutions and the jobs of faculty members, I don't know that that would be a major policy concern, but those institutions and faculty members represent a very important resource that has been developed at a great cost, and it would be a tragic loss if those institutions and faculty members are not allowed to provide the services that they have to offer.

So what we have to do is to find a way to take advantage of the fact that there are all those adults out there that have in the past needed higher education, need it now, and will need it more in the future. Now we have the resources, we have the faculty members, we have institutions in place. The cost of keeping them in place will be far less than the cost of some day recreating them.

Mr. **Biaggi.** The cost of education will save the institutions.

Mr. **Kurland.** That is an important public concern. As well as save the institutions, what we need to do is to figure out ways of doing that that will maximize the effective use of the limited resources.

One of the things about adult learners is that they are in part supporting themselves, and in part doing other things that are contributing to the economy, and they need a little bit of financial assistance to make it possible for them to improve their potential contribution to this economy. This is a very powerful argument for providing resources in this sector.

Mr. **Biaggi.** I was advised by counsel that New York State has programs that give educational credits for live-work experience. Would you please describe what those programs are, and is New York the rule or the exception?

Mr. **Kurland.** We have several programs. We have the region 6 external degree program, which enables people who have learned on the job, through personal experience, study in libraries, and through taking courses here and there and everywhere, to earn a degree, whether they have taken those courses in New Rochelle today, or in California.

What the programs make possible for people to do is to earn their credits through that type of learning so that they can get their degree, which is an essential in many parts of the country to get their advancement.

As I mentioned earlier in my testimony, we have a program which makes it possible to assess the education that is provided by noncollegiate sponsored structures, whoever offers the education, whether it is union, whether it is a CETA community based organization, or the Civil Service Academy, or whatever it may be. We can assess the learning in those situations and determine whether it is transferable to college credits.

It is those combinations of programs that make it possible to enrich and expand the learning opportunities and to recognize learning wherever it takes place, and at the same time make sure, when people undertake the considerable effort to study anywhere, that that is able to be turned into what is, in an important sense, a negotiable item.

Mr. BIAGGI. Is this available only in New York State?

Mr. KURLAND. The external degree program is available to people throughout the country. People can participate and take examinations. There are proficiency and college level examination programs anywhere in the country, and then apply to the New York State Education Department for a degree.

We operate a credit bank that puts together their credits from a variety of sources. We would hope that other States, either in collaboration with us or on their own, would develop pilot programs so that adults everywhere would be able to have the same opportunity.

We are doing this in New York State, and about half of the participants in the external degree program are resident of States other than New York State. So, we are already serving in a national capacity, and the experience that we have gained in that program is certainly available to help other States.

Mr. BIAGGI. Should the Higher Education Act be able to produce this on a national scale?

Mr. KURLAND. Yes; and it should provide ways to encourage the expansion of this kind of effort. When you talk about effective use of resources, adults who study on their own, study in their libraries, study in programs that do not require high cost, they are helping to increase the extent of learning in this country, and to make effective use, in this country, of our experiences.

People who study in this way, and become experienced in their environment, are more likely not to need the kind of more specialized and high-level offerings that are provided in our formal colleges and universities. So the two systems can be complementary to one another, and should not be seen as in conflict, both struggling for the very limited body of money.

This is what we think the planning and coordinating moneys would be very helpful in doing, to make it possible for the States to put together the various kinds of learnings that take place in a most effective way for the benefit of others.

Mr. BIAGGI. Mr. Taffee, assuming that the nexus barrier is financial, would you say that the private sector has done enough in this area?

Mr. TAFFEE. I don't think so. I am really not equipped to make a nationwide comment, but I have been teaching in New York State for over 20 years, and one of the reasons I was interested in developing the College of New York in the district 37 is because in private institutions there are flexibilities, they are a little bit removed from some bureaucracy, and could serve their educational mission a little bit more easily.

It is because I thought they were not demonstrating this in 1971 and 1972 that we tried this outreach program. I think that they are a gold mine in any network of lifelong learning and higher education services for adults. I don't think that it has been tapped at all.

Mr. **Biaggi.** Does anyone else want to respond to that?

Ms. **Christoffel.** If I could respond to that.

One of the most compelling notions that Mr. Ratchford has built in his legislation is the recognition that unions do have substantial moneys, negotiated under contracts, available for worker education. Business and industry are supporting substantial amounts of educational training on their own with private sector funds.

What is needed is not really any Federal support to supplant that amount of money. It would not make any sense to do that. What is needed is some testing, some demonstration efforts on innovative ways to reach the disadvantaged adults, to make them aware of those kinds of benefits, to form partnerships so that union workers who have those benefits available might, for example, make greater utilization of them.

For example, right now, the college board has a project underway with Mack Truck Co., UAW, and Hagerstown Community College in Maryland. The problem is that the money is not there. The workers have negotiated union benefits; the problem is that, in many cases, the workers are not aware that the benefits exist; they don't know what their options are for their educational opportunity. With a small amount of Federal money, we are able to get into the workplace, provide some counseling, some education counseling to these people. A very small amount of seed money would free up very large amounts of private sector support.

Mr. **Biaggi.** Does anybody disagree with that?

Mr. **Taffee.** The UAW region in Jersey, one of the reasons they found members were not using the educational benefits was because they were managed by the company, and not the council. It is a strong incentive when the funds are handed to the council, and they are used by the workers. It is in their interest to do that, when it is seen by the workers as a union benefit, and not something that you go to management to get.

Mr. **Biaggi.** Ms. Christoffel says that we don't need too much money from the Federal Government, and that is interesting, so there is hope for what comes out of this.

The programs that Ms. McDonald and Ms. Thresher addressed themselves to, the outreach programs, I am impressed by your numbers, by the way. I am sure you have limited facilities and financing, but it means that there is a multitude of people who might well be interested in entering the system.

Ms. **Thresher.** Right along with this, in terms of outreach and collaboration, we are about to enter into a 2-year project with Cordell industrial labor relations throughout the Westchester library system to do exactly this.

It is their feeling that the unorganized white-collar workers they represent, and the organized workers do not have access to regulations. Not only do they not know about it, but once they find out what they want to do, they need a little more support once they are in the schools, once they are in the program, somebody to just stay with them to make sure that when they face frustrations, they have someone to talk about it to. We are going to do remediation, study skills, research, how to write a paper.

I have been working 8 years with adult learners, and the first thing they say is, "I can't write term papers," or "I am too old to study." We need to help these people get over these psychological and skill barriers, and we are going to be doing this in the 10 libraries in the county. It is a model program, and it is funded entirely through private foundation moneys.

Another thing, the Westchester library system got together with State planning to bring people together, with Federal and State planning, to look at this picture as a whole, make these kinds of allowances and resources available, and we bring the information skills and they bring the clients.

Those kinds of things can be done much more effectively if it is supported on a national level.

Mr. Biaggi. This will be my last comment, and I am sure my colleagues have a number of questions and observations to make.

The data bank, would that be consistent with what you are saying, would that be where people could find out about those programs?

Ms. Christoffel. Absolutely.

Mr. Biaggi. Again, you are talking about a small amount of money expended for the provision of better information, and in this case to provide more people with information about available student aid, grants, loans, what work study, whatever there would be. It will go far beyond the amount of money that you would actually expend for that kind of provision of information. In this case you are encouraging the provision of other than Federal money.

I know that your notion includes provision of student financial aid, information from State sources, from local sources. I think, in fact, you are thinking about information on a State-by-State basis. That kind of information, then, would do exactly what you are talking about—bring together resources so that the students would have the crucial information they need about what is available for students.

Mr. Kurland. I think that there is no area in which you get a greater return on investment of funds than the provision of good information, because an individual who does not have good information and counseling before he gets into a program is wasting resources, and time. This is an area where a small amount of funds has tremendous payoff.

Mr. Biaggi. We have unanimity here, and I am asking the question for the record, because for the last 5 years I have been trying to get some kind of reaction to that data bank. I like to believe that I was the author of it originally, when people were talking about the extraordinary costs, and it went nowhere. Now there has been a revelation.

Mr. Polishook. The proposal that I had mentioned earlier, at least in concept, would be designed to do pretty much what you are talking about. A small commitment of Federal funds will free up large amounts of money which are currently available, and which are really unexpended.

There are a lot of reasons why that happens. We believe that a program properly targeted, implemented by a union, would be a catalyst for, I think, significant benefits to lots and lots of people.

Ms. Christoffel. One additional comment on that.

I know, Mr. Biaggi, that your idea of a data bank has evolved over the years. I think when it was first conceived, we were thinking of an expensive national data bank. I think, as I have heard your staff and you talk about it recently, we have been talking about a State level, a State-by-State kind of activity that would utilize a more reasonable amount of resources, that could pick up other State resources as well, and this becomes a very realistic kind of an idea.

It is something that can very well be carried out through the education centers and operations that exist now in the title.

Mr. BIAGGI. It accomplishes the objectives.

Mr. Peyser?

Mr. PEYSER. Thank you, Mr. Chairman.

I am delighted to hear the remarks at this time on the data bank concept. The outreach, I think, can be done by the Federal Government with comparatively little money, but also totally involved in its success will be with what people out in the field, and at the State level, city level, and in the libraries are going to do, if we can move forward with this kind of program.

It is going to take a definite coordination. I have been very active working with library groups over the years, in the 7 years that I was on the Education Committee, and I find that they have done a great deal of outreach to the public in their local communities in many ways.

As a matter of interest on this matter, just 5 days ago, I had the opportunity of spending about 4 hours in East Berlin, and during that period of time—I was traveling by myself—I visited a number of their bookstores, which in many ways act as their libraries. They do not have a public library system operating in East Berlin that resembles anything that we would know as public libraries.

The contrast of the use of both the bookstores, which they have and quite a number of which are quite large, and one of the libraries that I managed to get into, was the fact that they were used purely as propaganda device rather than an information source for people who are interested in many facets of whatever people anywhere would use libraries for.

Both of these places, on entry, the largest section of the bookstores and the library that I went into is devoted to Marx and Lenin. It is not a wide-open area where people can gather information on many other things. I must say that the contrast was just a very strong one to me, in contrasting our own system and our libraries in particular.

Specifically, there were a couple of things that I wanted to ask at this time.

Ms. Christoffel, you mentioned in your testimony the minority groups, particularly groups whose native language is not English. What are the types of programs, without going necessarily into great details but in general, that are now being conducted in that area for reaching an adult person seeking the education that we are speaking of who does not have English in control?

Ms. CHRISTOFFEL. I am sorry to say that I am not the best person to ask that question, Mr. Peyser. I am not that familiar with the range of programs that are going on.

I must say that some of them are being conducted under the auspices of the Adult Education Act, and also the bilingual program out of the Office of Education.

The funding for many of the programs that are actually language programs comes under those authorities.

Mr. PEYSER. Mr. Taffee, your union has an outreach program?

Mr. TAFFEE. We have a number of outreach programs. The best example is with New York State, where the affiliated locals of the United Teachers and the AFT and the university do provide a significant sum of money in cooperation with the State university for the provision and for the utilization of funds within union contracts. Where the program is already in place, it is successful, and that is in the Buffalo metropolitan region.

Partly based on the experience that we gained from that, and partly based on the fact that there is the opportunity, in terms of moneys available, we believe that small amounts of Federal money which would indicate to us that there is a geographic factor that a variety of programs are initiated throughout the country to make use of resources.

Also, where we can find the reasons for the nonutilization of this money, to make recommendations to the unions that negotiated these contracts and, of course, to the management representatives that are partners on the negotiated agreement, both labor and mangement, to change the terms of the contracts so that you can make better use of the money that is available.

Now, it may very well be that wherever you have the experience, and we don't have enough information at the moment—where you have the experience of the money being controlled by management or one segment of the management operation, that for a certain number of reasons that are not necessarily negative of management, if they did not put the money in the right segment of the industry, or whatever, the moneys go unexpended.

Even the UAW has a mixed experience with its own moneys. Some of its programs flourish in certain parts of the country, and some don't, which would indicate to us that here is a geographic factor that comes into play.

Without being more specific, because I don't think the time is available, we do have a specific program and a specific structure, with a specific rationale, that we will present at another time.

Mr. PEYSER. If you could send to the committee some of the outlines of these programs, it would be very helpful for us to see what is happening. We would be delighted to do this.

One last brief question to Ms. MacDonald, dealing with the library situation, and this has to do with money.

Obviously, there is need out there for money to address the specific issues dealing with the adult outreach type programs, and if you were looking for additional Federal funding to foster these things that we are talking; do you know what kind of money we are talking about in this area?

Ms. MACDONALD. I am trying to think of the figure that goes for our leader's advisory services under the Library Services and Construction Act. It is about $1 million annually under the Library Services and Construction Act that comes to New York State, that shows the high priority of New York State in supporting this service.

That, you see, does fund 18 of our 22 library systems for this particular service. I think it has had a tremendous impact for the small amount of money, relatively, that is given to it.

I would like to emphasize what has been said already, and that is that the education information component of this learning adult society we are talking about has to be the fundamental underpinning of it. It is that first step that is so hard for the adult learner.

The child, you know, has all the guidance in the world to get to kindergarten, but the adult has so many problems, has to overcome too many handicaps, and without a really good, effective outreach information program, we are losing an awful lot in the total program.

This information program is not just information about the educational resources that are available, but it is information about day care, information about scholarships, information about where you can get testing and remedial work, so that you can get to that first opportunity of postsecondary education.

I think that this is where the educational part of it is so important. I don't want to sound parochial, but in terms of public libraries, the public library is the ideal coordination, otherwise everybody is doing its own thing. It is working with all the other agencies in the community and the automated data bank business is that kind of business. The organization of information is to get comprehensive information, and the public library is skilled in that sort of thing. Therefore, I think that it is a component that is really essential.

So whatever you do, it really has to make a clear provision for this kind of information to happen throughout the Nation, and that is my long answer to your short question.

Mr. BIAGGI. Would the gentleman yield?

Mr. PEYSER. I will be happy to yield.

Mr. BIAGGI. Just one quick question. I think that it would be interesting to know whether the other libraries have enjoyed the same success that you have?

Ms. MACDONALD. New York State really has been out in front from the beginning in developing service to the adult learner. I know from American Library Association work that it has been paid attention to along with community information in general in public libraries throughout the country.

There is a movement in public libraries around the country to upgrade information services, whether it is educational information services, or whether it is community information services.

The proliferation of information that is to people vital information is so immense that libraries are putting a lot of their attention and resources into capturing that information, organizing it, and making it easily available to the community as it can. So, I can tell you that it is a high priority for public libraries nationally.

In New York State, we have particularly demonstrated that the public library has been the one that has been the most effective in providing educational information.

Mr. KURKLAND. It was the decision of New York State to use those funds that way. Other States use those funds in many other purposes. Here, we showed the way in which those funds could be used, and you might want to see the way it has been applied elsewhere.

Mr. BIAGGI. I am going to pursue it on the premise that New York State is generally out in front on most social issues. I think that the record will reflect that, more or less.

Mr. RATCHFORD. Connecticut will gladly join you in that.

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Mr. BIAGGI. Given that presumption for New York and Connecticut, what about the rest of the country in adult population as far as education is concerned, where do they range, are they on a par, or do they fall way back, or have they ignored it, is it of little or no importance? How could you assess that?

Mr. KURLAND. Just a generalization, we have 50 States, and there are States that are doing a great job for their adult students, and there are other States that are doing virtually nothing, or very little. All States have funding, title I funds and so on, to help, but the attention that States and institutions have given varies, and that is one of the problems of trying to develop national legislation, trying to address 50 different legislatures with legislation which has to have some type of uniformity, and more flexibility, and at the same time giving direction of where you hope, in terms of the national policy, you would like to see the States go, and allowing those States that have already moved to use the flexibility that their achievements have justified. This is what the legislation should reflect.

Mr. PEYSER. Thank you, Mr. Chairman.

Mr. RATCHFORD. I have to leave to drive to Waterbury, Conn., to set up a hearing on fuel assistance for the elderly. I might indicate to the panel that Congressman Biaggi will be joining me at 1 o'clock by way of a helicopter.

Thank you for the opportunity to participate, above all, with the panel. From today's testimony, it is clear that title I must be more than planning, it must be more than data. It must be a title with emphasis on the nontraditional student. This to me came out loud and clear this morning.

With this, at this point, I am going to leave.

Mr. BIAGGI. Thank you, Congressman Ratchford.

Congressman Weiss?

Mr. WEISS. Thank you very much, Mr. Chairman.

Let me limit my questions, to accommodate the Chairman, but first I would like to make one comment.

I think the most impressive part of your testimony is the fact that most of the tremendously innovative work that has been done in this area has been done, not at the instigation of the Federal Government, but at the instigation of the local institutions, local communities, who established the programs in these facilities.

I think what is being suggested here has been suggested in some legislation, and proposed as amendments, and in some of the comments of my colleagues.

I think that the institutions have taken the lead, and it is time for the Federal Government to recognize that. Due to the change in circumstances, it is time for the Federal Government to remove whatever unfairness, inequities, and discriminatory provisions that have crept into the legislation over the course of the years.

Your testimony indicates that most of the work is still going to be done at the local level, and that our role is to make sure that we don't interfere, but provide some assistance to allow you to get on with the work that you are doing.

I have only one area of question, and that is for Ms. MacDonald.

I don't recollect you giving us any dollar and cents figures. Do you have any suggestions as to what you are talking about as far as the national needs, and as far as the State?

What are you getting from the State? How would you project that to a national level? What kind of a money level are we talking about?

Ms. MacDonald. One million dollars in New York State of Library Services and Construction Act money goes into the public libraries throughout New York State and into their advisory services, currently. We have a pretty good spread with that million dollars, and I think that it has a very large impact.

So when you look at that in terms of the 50 States, perhaps you can get an idea of a very minimal amount that is necessary to at least get a learner's advisory service going in each of the public library systems throughout the Nation.

Ms. Thresher. May I make one comment. I have done a survey of learner's advisory services throughout the Nation for a book on models. One of the things that I have noticed is that one-half of the time, and therefore the money, is spent on gathering and keeping up to date the information banks which support the counseling service. Therefore, they are doing the same thing. Every library is collecting the same information, organizing it, repacking it. The cost would be 50 times smaller than it is now if they could centralize those functions, if indeed I did not have to have staff clipping newspapers, calling every college, and doing all that stuff, if there was a computer terminal that I could consult. I would then use my staff time to serve more people at less cost. The same staff could serve more people.

I think one of the things I would urge and we are urging with the information center program, if that were funded to a greater extent, then the efforts of that program will largely focus on creating career and occupational information systems, computerized and perhaps with manual products for those who cannot afford terminals. Those products could be given to counseling agencies all over, no matter what the institution is. I think that you would get a much greater benefit for the Federal dollar.

Mr. Weiss. Thank you very much. That was a very important answer.

Thank you, Mr. Chairman.

Mr. Biaggi. I would like, on behalf of my colleagues and myself, to thank this panel for its testimony and for the colloquy. I can see that we are not the only ones at work. Thank you very much.

The next panel will be panel No. 2, and Mr. Peyser will introduce them.

Mr. Peyser. The participants on panel No. 2 are Mrs. Lorraine Phillips, vice president of the U.S. Association of Evening Students, and Mrs. Helen Marshall, from Plainfield, N.J.

We would appreciate it if you would come up here at this time, and we will get this panel underway.

Mrs. Phillips, we will start with you. We appreciate hearing from you. If you have prepared texts, we will be glad to enter them in the record in their entirety. If you want to highlight your statement or speak extemporaneously, we will be glad to hear from you.

STATEMENT OF LORRAINE PHILLIPS, VICE PRESIDENT, U.S. ASSOCIATION OF EVENING STUDENTS

Mrs. Phillips. My name is Lorraine Phillips, and I am vice president of the U.S. Association of Evening Students, and I am also the moderator for the legislation committee. This is an organization that represents over 400,000 part-time nontraditional students in the United States.

I am a student at Hofstra University, N.Y., on Long Island. I am now in a graduate program there.

First: I would like to thank Congressman Biaggi, then I would like to thank you, Congressman Peyser, and you, Congressman Weiss. On behalf of the U.S. Association of Evening Students, I appreciate what the legislators and Congressmen like yourselves are doing in consideration of the part-time students.

I happen to have attended a congressional hearing at the Senate Subcommittee on Education in Washington, D.C. I observed all of the members of the panel. I wanted you to know that a large segment of the population really does appreciate your efforts on our behalf.

What we want, I guess, is educational opportunities for all, because to limit evening education is to limit the Nation's economic growth.

I believe it is well understood, at least here, by the people represented here today and I hope among the Nation's college administrators that the nontraditional student is the salvation of the collegs and universities in the future, with the declining birth rate and the increasing return to education of the adult.

I want to make one thing clear. The organization that I represent consists of people enrolled in accredited colleges and degree programs, and it is accrediated courses that they are taking.

According to the 20-year statistical trends, by the year 1986 the part-time student enrollment will equate that of the full-time, daytime enrollment. In community colleges throughout the country, part-time enrollment is in the majority. In fact, it comprises 58 percent of the student population. I find it incredible that out of the total financial aid to students nationally, only 6 percent goes to part-time students, even though the total part-time student population in the United States comprises over 41 percent of the total student enrollment.

Then, in the State of New York, which I consider the foremost State in the country, I find it absolutely unbelievable that only a small percent of the total financial aid is given to part-time students. The part-time students consist of about one-third of the total student enrollment here in New York State.

In the TAP awards program—TAP is tuition assistance program, which is New York's direct system of grants—New York awards in this program each year awards over one-quarter million, and not one of these awards goes to part-time students. I find the same thing exists in other States that I have not only visited, but I happen to be on panels and workshops of some kind and had to dig into the statistics of those States.

For example in Massachusetts, I was just on a panel there at the University of Massachusetts on problem solving of part-time students. Part-time students there are not eligible for scholarships. The State-guaranteed loans are not given to less halftime students, even though the part-time student enrollment in Massachusetts is 28 percent of the total student enrollment.

I was recently in the State of Delaware, and there was a bill introduced there for pushing tax credits, and it included part-time students. This was a bill introduced by Senator Robert Marshall of Delaware.

I found that although the total financial help amounted to $2 million in the State of Delaware, and it is given to 70 percent of the student population, but of this the part-time students only receive 20 percent of that amount, even though the part-time students in the State of Delaware comprise 40 percent of the total student enrollment.

I am assuming that the same pattern exists pretty much throughout the United States. In fact, I am almost positive it does. This is a gross inequity to this very large segment of this society. These people are not only students, but they are taxpayers and voters.

Congressman Biaggi, I want to thank you for your opening remarks, which you articulated in the way that you have been doing for quite a few years. I do appreciate everything that you are doing for the students in this country, and in particular the part-time student population. I wanted you to know that we appreciate your efforts.

I was in Washington, and I saw you in action on the Education Subcommittee, and I was very appreciative of what you are doing.

I want to go into attitudes, too. In fact, someone from our organization has written a paper on attitudes. Attitudes, we found first of all that the attitude of college administrators toward part-time was that they considered them as second class citizens and nothing could be farther from the truth.

We find that instructors sometimes are not required to give their full support to the part-time students. The colleges use their daytime instructors for the evening classes, by that time they are so fatigued, and what-not, that perhaps they cannot give us their full attention.

We find that, with the exception of people like Congressman Biaggi, Congressman Peyser, Congressman Ratchford, and Congressman Weiss, whom I know have a particular interest in the part-time students, the legislators sometimes on the most part feel that there is no need for the part-time. Sometimes, because of all this, the part-time students are made to feel that they are not a student at a college, but someone there taking courses.

We find that the facilities are not as available to us as they are to the full-time students. The libraries are not, sometimes, open in the evening or on weekends, the times when the part-time nontraditional student could avail himself or herself of those facilities. The bookstore closes earlier than it should to accommodate the part-time students. The cafeteria, the activities office. A core cycle to lead toward a degree program is not always available.

Counseling was not open in the evening, and the dean of the evening college was only available to the part-time evening students 1 night a week.

In some colleges, they give separate degrees for part-time or evening students.

The financial aid office appears to feel that the full-time student is a much better investment, and they do not want to be bothered with the part-time students. They get more money from the Federal Government when handling the full-time student's needs. Certainly, the needs analysis for part-time students is just as great as that of the full-time student, even if not more so.

Scholarships are not available to part-time students. In my own college, students from the nearby community colleges are offered $1,000 in scholarships, but at the university they do not make any provisions for part-time students. This certainly could be prorated for part-time student attendance. There are very few scholarships available to part-time students. My organization makes quite a few scholarship awards.

I recently heard a radio editorial that was saying that the cost at NYU is $7,000 a year. They are trying to work out some kind of a package deal, and I don't know what they exactly mean by that. I could see that they were certainly attuned to the financial needs of students and of the part-time students.

I wanted to say also that a lot of attention is focused on the disadvantaged and the downtrodden. There is also a segment of us called "low-income people," who find it equally as hard to go through college. I, myself, worked three people's way through college, and I defy anybody to top that one. I did it without any assistance. I did it by working fulltime. I am still working fulltime. I worked for myself, I worked for my daughter, and I worked for my son.

This is really a terrific burden. You have to forego all the other things that you would like in life. Right now I am trying to save up $300 for a course that starts in 2 weeks. Yesterday the exhaust system on my car had to be repaired, and $200 went right there. That is more than half of my tuition that went.

There is a need for people like myself, people who are not totally disadvantaged, but perhaps do not earn that great a salary, the people who work in office jobs, or whatever, who do not earn a great salary. NYU's tuition is $7,000 a year, and I really don't make much more than that myself. How can you expect to improve yourself, improve your lot, and go on to bigger and better things, have some upward mobility in this country if you don't get some kind of help. I mean to include those who are often overlooked, those who might make too much, or whose total income might be too great to get some aid.

Those people may not earn enough in today's inflationary world to have the extra money to accomplish these kinds of things. My university costs $112 a credit, and that is $336 for one course. You have to work one-half a month for that. It is just incredible the rising costs, and the provisions that are made for people and many others like me.

As far as attitudes toward part-time financial help, I happened to be speaking with a part-time student, and I mentioned that I was coming here today. It is unfortunate that she could not come because she would probably have been a better spokesperson than I. This person happens to be working on a graduate degree.

Don't think that the graduate students don't need assistance as well as undergraduates. When she was going full time, she was getting all kinds of financial aid, but she has just completed everything but her master's thesis, which is six credits. Because she has only six credits to go, she is considered a part-time student, and as a result, when she went back to renew the assistance, she was told that she could not have any kind of aid. She is not getting anything at all. She is quite distressed about that.

This is perhaps an area that you have not given thought to, or realized that it exists.

I have another friend who is a nurse, who wants to become an administrative nurse, she must have a 4-year degree. She is looking for money for continuing her education.

In that respect, I have here an article from the Boston Herald. A person by the name of Gail Roberts went to 72 banks in her local area to find that she did not qualify for the loans they had available. They said: "Sorry, Ms. Roberts, but, no, we do not give loans to evening or part-time students or graduate students."

I have here another article. "Part time is the going to college majority." In the New York Daily News, there was an article on area colleges opening with many problems. I don't believe that these figures are correct, and I don't know how they arrive at their figures, but this shows that they are on the right track. They have here 605,000 full-time students are going back to college in New York State with 308,000 part-time students. This would indicate that half of the enrollment this fall in area college is part-time students.

I have figures here, too, and these are from the Deputy Commissioner for Higher Education and Professional Education in New York, and the attitude in New York toward part-time students is very depressing. The figures and so forth, going into the grants that they give, the whole matter is really very poor, and it is about time for change, otherwise I think legislators, college administrators, whoever is involved with the college education, will find themselves a little short-changed because they have to see that the part-time, nontraditional student's needs are as great if not greater than the full-time, young, traditional kind of student, and this has become the largest segment of the college students today.

I do thank you for the time and the opportunity to present what I hope will be considered, and I do hope that in the rewriting of the Higher Education Act, part-time students will be included for consideration.

Mr. **Biaggi.** Thank you very much.

Our next witness is Mrs. Marshall of Essex Community College, Plainfield, N.J.

STATEMENT OF HELEN MARSHALL, ESSEX COMMUNITY COLLEGE, PLAINFIELD, N.J.

Mrs. **Marshall.** First of all, I want to thank you, Congressman Biaggi, Congressman Peyser, and Congressman Weiss. Thank you all, all the people that are here and visitors, for allowing us to bring our problems before you in hopes that we can highlight some of the issues that have been spoken on, so you can understand just how we feel about the financial aspects or what is happening to the students.

I would like to bring to you my feelings about the status of the nontraditional student. In September 1978, I had the honor of speaking before the Commissioners of Finance in New Jersey, and I brought this issue before them. Up to that time, I found that there had absolutely been no consideration given to students like myself returning to school after many years. I found this out the hard way.

I started back to school myself in January 1977. At the time, this was mandated by our Government in order for me to keep my license. I have been a licensed practical nurse for the past 25 years, and naturally the education I received in 1953 would not fit me for the technical society that we find ourselves in today. Therefore, going back to school did not present a problem to me; I was ready and I wanted to go.

When I went to seek financial backing because I really did not have any funds to go to school, there was none available. This was something of a shock. If you mandate me to go back to school, and mandate me to do anything, where are the provisions?

I felt that if they had made no provisions for me, or others like me, who had been mandated at some time in their life to go back to school, due to the fact that they no longer fit in the society in which they found themselves, then someone had to do something about it.

I decided that since I had made the first move to go back and get the education, I would make the next move to find out why we could not be financed. So the committee allowed me to present my testimony before them.

I brought them to understand what the nontraditional student is all about. Everyone who spoke here today has some idea of what they feel the nontraditional student is all about. Right from the student's standpoint, it is the same identical thing; it is not different. I am sure that by now you have heard enough about it.

Let me say, we professionals who go back to school for continued growth and self-improvement, students who have past the traditional age of college students, part-time and evening students who are, in addition to attending school, holding down full-time jobs, professionals who return to school due to constantly changing technology and requirements brought about by the technological changes in our society today.

The crux of the problem is that students who fall into the abovementioned category have great difficulties, like myself, in obtaining financial aid. This stems from the fact that the guidelines established by the givers of financial aid exclude most of these students because of the following:

They are enrolled in less than a full-credit course, like 12 credits. Their income disqualifies them from receiving financial aid, with no consideration for the cost of living. For example, the person grossing $14,000 annually, having five dependents, obviously cannot afford the cost of continuing education. Thus, he or she becomes penalized for the income and subsequently ineligible for financial aid. After many years of struggle, they manage to get some equity in their assets, which is used against them as they endeavor to secure financial aid.

I am in my sixties, and I just graduated from Essex Community College on May 20. I not only graduated with a debt of $7,500, which I had to borrow from a higher education loan, which I am thankful for, but I also graduated as a scholarship student. I maintained a grade point average of 3.25 and better throughout the whole time I was there. I excelled in every area that I could because of what I had found to be very definitely a problem in securing something for adults returning to school.

You spoke about New York. I know what goes on in Essex County, and throughout Essex County. We have not yet gotten ourselves prepared, really, for the adult returning to school. They have striven in some areas to have instructors at night, but we don't have library service at night. They have the lunchroom open until 5 o'clock, but when I come there after work, I cannot get a hot dinner.

So the eating, the library, the parking, the bookstore, I could just name all the different advantages that the day students have which the evening students do not have. I was up against that throughout my time there.

I have set myself about to paving the way for others returning to school. In spite of the efforts that we have made, we still have no part-time financing, we have no facilities that are set aside for us. We are just there, and these things are beginning to wear on the nerves of people like myself who realize that we want a qualified education for the time and the money spent.

Also, we want some financial assistance from wherever it will be forthcoming, but above all, we don't want to limit it to the books. We want to get a qualified education, and we want all the things that go with that education, so that we, who did not have the opportunity years before, will have this second opportunity to develop all of our potential, and do something worthwhile.

I was valedictorian of my graduating class in 1933, but there was no money for me going to school, and that is why I am going now.

Thank you very much for allowing me to bring these matters before you.

Mr. Biaggi. Thank you, Mrs. Marshall and Mrs. Phillips.

In your remarks, Mrs. Marshall, you have touched on a point. There are many people who, in the earlier stages of their lives, would have been happy to continue their education, but hosts of reasons that our society presented at that time, and the economics of the day, thwarted them in the pursuit of their educational desires. This speaker is one of them. As I stated at the outset, I started law school at the age of 45, and became a lawyer when I was 49. It was not that I did not want to continue my education when I was much younger, but I was the eldest of three sons during an economic depression, and society was not that enlightened, frankly, and the educational community was rather narrow.

Now we are talking about a different time in America's history, where things have changed substantially.

Mrs. Phillips, I think one word you stated is most critical and indicative of our problem in this area, and that is attitude. You pointed out the shortcomings for the part-time, adult, nontraditional student.

I would caution administrators and faculties all over the country. I think there is a lot of substance in what Mrs. Phillips said: Attitude. They are treated as a secondary group. I caution those administrators and faculties because in the end their very continuance in service may depend upon the increased numbers of nontraditional students, given the marked reduction of the younger ones in the population entering the educational system.

In the end, to the extent to which they change their attitude and acknowledge their presence, and deport themselves with the proper attitude, to that exent perhaps they encourage an increased population, and preserve their own individual positions.

Be their motivation nothing else than a selfish one, it would be gratifying to note that they are realistic at least, and know that you don't bit the hand that feeds you.

I might tell you that my wife goes to college on a part-time basis in pursuit of an associate degree in psychology, but it is not just that that interests me, but I am aware of exactly what you are saying.

Thank God for colleges like Mercy College, which is unlike most other colleges. You have a tremendous college campus here. The one that you have two blocks from my office is not as fine, but it is still pretty fine.

I want to thank you for sharing your experiences with us, and putting on record your sentiments, which are critical. My own belief is that there will be change. I don't believe that it will change immediately to any substantial degree. It will be like many other things in our legislative process, an evolvement, but these are the initial steps, and they are critical. Hopefully, they will commence with this legislation.

I am willing to predict that, as surely as night follows day, there will be an evolvement that will in the end benefit all education, and more specifically the nontraditional student.

Mr. Peyser?

Mr. Peyser. Thank you, Mr. Chairman.

Just, really, one brief question to both of you. First of all, I want to tell you how meaningful your testimony is, and whenever we do have this opportunity of talking directly to the people involved, not just the administrators and the professionals, it has a very special impact on the committee as we translate this and convey this thinking on in the week. So it is worthwhile and important that you have done what you have done.

One question I have deals with the financial aid information that you either attempted to receive, or was given to you in your attempt to further your education. Where did you get information on potential financial aid, or even lack of financial aid: how did that come about?

Was there any source where you found out where you could get some help, or that no help was available? How did that come about?

Mrs. Marshall. I made an application to our financial aid office. I was told that because of my assets, earned through my hard work for years, my home with a little equity in it.

Mr. Peyser. It was at the college itself that you made the inquiry.

Mrs. Marshall. I made an application at the college financial aid office in January 1977, and they informed me, after I sent in all the papers, the BEOG, the whole business, everything that was necessary. I had too many assets. If I had had more debt, maybe I would have been eligible.

In other words, I was not poor enough. I was not on the list of those who needed any type of financial assistance, whatever. I don't know how they arrived at that conclusion.

At that time, my daughter was attending school also. She has graduated from Essex Community College, and how she got her education was through a higher education loan. She said, "Mom, if you want to go to school, you will have to do the same thing."

She helped me in this way because she could not help me financially, she steered me in the same direction she had gone herself.

Mr. Peyser. One thing that you might be very interested in, in the subcommittee bill we will be excluding the home asset as a factor in determining eligibility for BEOG, which will certainly help people like yourself, and I think will play an important role.

Mrs. Marshall. I am happy to hear that because that was part of the discussion when I brought it before the commissioners of finance in New Jersey. "How can you hold this against me, when I have worked hard to try to get this. Now you say to me that because of it, I am not eligible for any benefits."

Mrs. Phillips. First of all, I am really very pleased to hear that you are going to exclude the home from the eligibility, or however this is going to be written in the Higher Education Act.

Mr. Peyser. This is part of the subcommittee bill that is going to be going into markup at the end of this coming week.

Mrs. Phillips. Will this include the Drinan bill?

Mr. Peyser. In other words, when a bill such as the Drinan bill is introduced to the committee on this, many times this will be incorporated as part of the basic bill. It will not be submitted as an individual bill.

Mrs. Phillips. It is very interesting and very encouraging because that really does preclude an awful low of people from getting aid. These are people who have worked very hard for their home, and practically that is the only thing you have. You don't have much in the bank because it is almost impossible to figure this into your income. This was, in fact, my case. Now they have raised the BEOG ceiling and it would now allow me to have financial help, but unfortunately it was lower then.

I also want to point out that in the editorial being broadcast by NYU, they brought out the fact that even though BEOG income level has been raised to $25,000, there are some people who are in the bracket of $30,000 or $35,000 who find it difficult financially if they have two or three children in college at one time. My children are 1½ years apart, and it is really very difficult if you are trying to finance three people through college at one time.

Mr. Peyser. Thank you for your comments, both of you.

Thank you, Mr. Chairman.

Mr. Biaggi. Mrs. Phillips, you made a reference to a student who was taking six credits. She would be regarded as half time, hence qualified for guaranteed students loans.

Mr. Weiss?

Mr. Weiss. Thank you very much, Mr. Chairman.

I am also informed by our staff that the bill will require consideration of the special expenses of commuting students who do not live at home with parents. There will be in the legislation some new authorizations, and some great concern for people with special expenses and special problems, especially the adult and the so-called part-time students.

The statistics that you cited as to the percentage of part-time students who received assistance being so infinitesimal as compared to those attending school, it is not because of the administrators. The unfortunate part is that unintentionally there were some discriminatory aspects written into law, which are still in law which directly prohibit administrators, even if they want to, to treat part-time students equally.

Take the Basic Equal Opportunity Grants, for example, and the Supplemental Opportunity Grants, which both provide eligibility for 4 years. Automatically, this means that if you are a part-time student, there will come a time in the course of your studies when you will no longer qualify for this kind of assistance.

I have legislation which hopefully will be looked upon favorably by the subcommittee, that would lift that eligibility level from 4 years to 8 years so that there will be, if not for everybody, for a large percentage of the nontraditional students an opportunity to complete their studies, or to go a long way toward completing their studies with the kind of assistance that so-called full-time students receive.

What we have to do now—and this is why your testimony is so important—what we have to do now is to put under a microscope the various parts of the legislation to make sure that, even without intending to, we are not disqualifying, discriminating, or making life unnecessarily difficult for students who, if anything, perhaps deserve more rather than less consideration.

I have no questions. If you have additional comments, I will be glad to have you make those. I just want to thank you for your very eloquent testimony.

Mr. PEYSER. Thank you very much, Mrs. Phillips and Mrs. Marshall, for your testimony and your presence this morning.

Mrs. PHILLIPS. I would like to ask one question, if I may. I have a copy of the Higher Education Act, and nowhere in there is there a mention of part time on nontraditional students. There is no mention of the part-time student as such, I guess, considering this was written in 1965. Is there going to be provision made for part-time students or the adult learner, or lifelong learner?

Mr. BIAGGI. Let me respond to you in this fashion. This is one of the purposes of the hearing. When we deliver the bill in the subcommittee, we submit it to an amending process. Certainly, what we have learned here today will be significant and hopefully will be reflected in the legislative product.

I cannot promise you that because other members may have contrary points of view. It may not be the proper time in the sense that someone argues that it has not been given its full day in court. Perhaps there has not been enough testimony in relation to this, notwithstanding the 33 hearings. Maybe this area has not been addressed adequately. I am just giving you possible objections to it. Those of us who advocate this will try to do our best.

Mrs. PHILLIPS. I am of the opinion, and I may be wrong in my assessment, but I undertsand that the president of our association did present testimony in Washington, and the Association of Daytime Students did not. We believe that we are the only students who presented testimony in the congressional hearings in Washington.

Mr. BIAGGI. It is quite obvious that this has become a matter of competition, and I can see it in your position.

Mrs. PHILLIPS. I did not mean it as a competitive thing between the daytime students and the part-time students. What I am curious about is the fact that there was little student input into the hearings.

Mr. BIAGGI. I believe the record will show that students across the country had substantial input. It was not just the hearings in Washington. As Congressman Ratchford stated, we had 33 hearings. I have a note from staff which tells me that 27 student bodies were represented in testimony.

Mrs. PHILLIPS. That is what I wanted to know. Thank you.

Mrs. **Marshall.** I would like to ask a question. I have been a licensed practical nurse for the past 25 years. That is how I raised my children and established this home that I now have some asset in.

What I would like to know is, has New York State also mandated that licensed practical nurses return to school, and is there any financial aid available to them?

Mr. **Biaggi.** I am not aware of it. It is not the first time that governmental bodies have mandated certain things without providing commensurate financial assistance. The Federal Government does that, and we, in the Congress, do it on occasion. But as to New York State, I am not aware of any financial assistance.

Mrs. **Marshall.** There is no financial assistance?

Mr. **Biaggi.** I am not aware of it, at least. I would say, without fear of successful contradiction, that there wasn't any provision for financial assistance.

Mrs. **Marshall.** Has there been a mandate on your licensed practical nurses in this State?

Mr. **Biaggi.** I am not aware of it, but we can have staff send you whatever information we have insofar as LPN's are involved in the State of New York.

Mrs. **Marshall.** I would appreciate that very much. Thank you.

Mr. **Biaggi.** The third panel will talk on institutional perspective, and it is composed of Dr. Donald Grunewald, president of Mercy College, our host; William Proto, director of Student Services, City University of New York; Ms. Micheileen Doran, director of Admissions and Financial Aid, president, New York State Financial Aid Administrators Association; Dr. Julius Ford, dean of student affairs, Westchester Community College; and Ms. Mattie Cook, president, Malcolm King: Harlem College Extension.

I apologize that I have to leave at this point. I have another hearing on the aged at 1 o'clock, and I am told that my bird just arrived and is sitting out on the baseball field.

Congressman Peyser will chair the balance of the hearing.

Mr. **Peyser.** Thank you, Mr. Chairman. We wish you a safe flight.

To the panel, I do want to assure you that Congressman Weiss and myself are looking forward to your testimony. We would like to continue at this time with Dr. Grunewald, who is our host at Mercy College this morning, who will lead off the panel.

STATEMENT OF DONALD GRUNEWALD, PRESIDENT, MERCY COLLEGE

Mr. **Grunewald.** Thank you, Mr. Chairman.

First, Mr. Peyser, I would like to thank you for bringing these hearings to the 23d Congressional District. You have given great leadership over the years in Congress. In my 7 years as president of Mercy College, I have worked with you and seen the great things that you have done for higher education.

We are very pleased, at Mercy College, that you are an honorary alumnus of the college. I realize sometimes Congressmen have dilem-

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mas, and you are going to have one on January 3, 1980, when Mercy College plays Colgate University in basketball. I will be very happy to see who you are rooting for on that day.

Mr. Peyser. I am going to clear that up right now. I am going to root for Colgate and hope that Mercy stays close.

Mr. Grunewald. I have submitted my testimony, and I hope that it will be included in the record.

Mr. Peyser. It will be included in its entirety.

Mr. Grunewald. One of the things that Mercy did some years ago when we embarked on adult education seriously as a major thrust of our college was to identify locations where adult learners were, and how we could help.

One of the areas that we chose was the Bronx, and we started a center there that now has over 1,000 students, and our success has caused other colleges to come to the Bronx, which is one of the most underserved areas of the country in higher education.

So we are very pleased to have done the reverse of everyone else, who have left the city. We started in the suburbs, and we went to the city. So it is a little bit unusual, but I think it is important that the adults be served flexibly.

As a college president, I have a two-word job description: professional beggar. I know, as a professional beggar, I should appear here before you today and ask you for more money, but I am not going to do that. What I am going to ask you to do is not to give us more money, but be more flexible in how we can spend the money that the Congress gives to higher education.

A little earlier, your committee raised some questions with one of the other panels on choosing between younger students and older students in giving the aid. I think the Congress should provide the aid that they now provide, but it should be more flexible, and the institution should be given the flexibility in determining, on the local scene, who should receive the aid.

By eliminating some of the present roadblocks in the law, we could be more flexible in how we give the aid. For example, the halftime limitation. We have an adult student who is taking a two-credit course and gets A's in both of those courses; perhaps that student is more deserving of aid than a younger student who is taking five courses and is getting all D's and F's, for example.

I think we have to have more flexibility, and that flexibility should be left to the institution to best judge the need for aid, because we are here and we can talk to the students, and we can best see their needs.

Another thing, I am delighted that Congressman Weiss is working on the effort to do something about the house, and not for someone to sell their house if they want to get some financial aid. I think that it would be very helpful to us.

I also think that it would be helpful if we could eliminate that $200 limit, and make that smaller, because there are some people who might need a small amount of aid to be able to go to college.

I really want to sum up my eight pages of testimony by saying that what we need, gentlemen, is a little more flexibility. We are not asking for a great deal more money, but we are asking for a little bit more flexibility on how it is administered, so that we can give it to adult students who need it as well as younger students.

Thank you.

[The prepared statement of Mr. Grunewald follows:]

PREPARED STATEMENT OF DONALD GRUNEWALD, PRESIDENT, MERCY COLLEGE, DOBBS FERRY, N.Y.

Mr. Chairman and members of the Subcommittee on Postsecondary Education, thank you very much for your invitation to appear today and to present the views and opinions of Mercy College concerning a significant percentage of the educational needy of the future—the adult student, and that student's ability to pursue a higher education.

Experience has shown that adults who have made the decision to pursue a higher education—whether for the first time, or returning to school after an absence of several years—have three primary concerns: convenience of location, flexibility in scheduling to permit interfacing with other responsibilities and demands on valuable time, and financial aid. It is the responsibility of the institutions of higher learning in the United States to meet the first two criteria: convenience and flexibility, and, to an extent, the third as well. The Federal Government has played a major role in financial aid both for institutions and for individual students. Over the years, millions of students have been able to complete their higher education with the help of Federal programs such as the BEOG, tripartite campus-based programs, and veterans' G.I. Bill benefits.

Student populations are changing and will continue to do so. No longer is there a seemingly bottomless pool of traditional college students from which to draw—those in the 18- to 22-year age group. Because of the rapidity of change and growth of technology in our society, learning is becoming a lifelong activity. People must return to school as career needs change at various stages in their life cycle. As a result, educational institutions must adapt to serve an older, more mature student who has a different frame of reference, responsibilities, and has different needs than the traditional-aged student. It is my belief the financial aid programs designed for full-time, traditional students must be rewritten and/or adapted to reflect the change to a society of lifelong learners and their needs. There are two ways in which Federal financial aid may be tailored to best benefit the students of today and tomorrow, the first through aid directly to the student, and the second through aid to the educational institutions.

First, aid to students. By the very nature of their lifestyles and responsibilities, such as work and family, most adult students are unable to attend even as half-time students because they may not be able to meet either the time or financial obligations required. And a return to school, or first-time attendance may be traumatic for someone who has not been in a classroom in many years. At Mercy College, we often recommend that a student who is an adult take only one course the first semester they are enrolled and that they ease back into education at a rate best-suited for them. However, in order to qualify for aid under the three campus-based programs, College Work Study, National Direct Student Loans and Supplemental Educational Opportunity Grants, the student must maintain at least half-time status. This also holds true for the Basic Educational Opportunity Grants.

While a student who holds a full or three-quarter time job is not likely to be interested in work study, the availability of NDSL money could play a significant role in the decision of an adult to pursue a degree on a part-time basis, even though it may be feasible only to attend less than half-time. I strongly urge that these porgrams be modified to include less than half-time students who demonstrate need, regardless of age. One criterion Mercy College would suggest for a measure of control would be matriculation in a degree program and that a time limitation of perhaps seven or eight years (rather than the four years now required for traditional students) be imposed. Further, since it is mandated under SEOG that colleges must reach out to the needy and seek the most qualified students, I submit that those most needy could well be those who may be able to attend only on a less than half-time basis, particularly adults. Again, age should not be a barrier, and the satisfactory progress of students should be determined by the individual institutions rather than the government. I believe that a 35- or 40-year-old person who is supporting a family who earns an "A" in each of two two-credit courses is making much more satisfactory progress than a 19-year-old who has managed only "D's" and "F's" as a full-time student. The same holds true for a homemaker who is trying to raise her children and run a household while studying for a degree. Tied to institutional oversight of progress, matriculation and a maximum time limit for earning a degree should be requirements for all students qualifying for SEOG moneys.

The tripartite, campus-based programs are among the most flexible Federal programs enacted, and the Congress is to be commended for creating them. Under these programs a great deal of discretion is reserved to the individual institutions. While all schools would be pleased to receive more Federal dollars, this is not always practical. I believe that if less than half-time students were eligible to receive funding, they could be accommodated, provided the individual institutions had the discretion to utilize the funds to best benefit their particular student population. In that case, an institution which primarily serves the traditional student would be able to do so as it has historically, as the result of the available discretion; and an institution which primarily serves non-traditional students, as does Mercy College, would also be able to do so.

With regard to the BEOG program, I again urge that the half-time requirement be eliminated and that students demonstrating need be considered, regardless of age. Mercy College also believes that more students could be better served if the minimum award was made lower than the existing $200 floor in conjunction with the elimination of the half-time requirement. Further, I propose that the consideration of assets for receiving BEOG me eliminated as these requirements can become discriminatory toward those who may, for example, own their own home, even though their need is the same as, or perhaps even greater than, someone who is not a property owner. The person who owns his own home should not be forced to sell his home in order to obtain an education.

Finally, Mercy College would urge the Subcommittee to further look at the other provisions of Title IV, such as Subpart 4—Special Programs for Students from Disadvantaged Backgrounds. The language of the legislation continuously stresses "youth". I submit that there are just as many adults from disadvantaged backgrounds: cultural, economic, educational or physical handicap who, given the aid and opportunity to improve themselves through higher education would do so. Consider, for example, the many refugees who come to our shores who do not speak English, but for one reason or another were forced to flee successful lives in their native country and make new homes here in the United States. Consider the Cubans, Puerto Ricans, Vietnamese, Chicanos, Brazilians, Haitians and many others to whom America is still the land of opportunity. Yes, citizenship or permanent residency should apply as it does for the "youth," but the opportunity should be offered.

I would like to now suggest several possibilities for the Subcommittee's consideration for Federal financial aid directly to the institution.

First, while our colleges and universities cannot expect the Federal Government to completely subsidize expansion of administrative services such as academic and career counseling, such expansion is indeed necessary to serve the adult population which attends college on a full-time, half-time, or less-than-half-time basis. I propose that seed money be made available to institutions on a competitive basis to provide start-up services for non-traditional students, the cost of which would be assumed by the institution at the conclusion of the grant period, similar to the old Title III Advanced Institutional Development Program which provided for movement into new areas of service.

Another proposal for your consideration would be the establishment of a program similar to the Federal Veterans' Cost of Instruction Program and New York State's Higher Education Opportunity Program, both of which are extremely successful, geared to the servicing of the adult student population, providing counseling and guidance and educational services such as tutoring.

While I recognize that the Subcommittee does not favor a Tuition Tax Credit I urge that if such a credit does come under consideration that the part-time, as well as the full-time student be considered and receive eligibility.

Finally, we propose an outright grant to the institution for the graduation of a student in the non-traditional age bracket, for example, those over 25 years of age. This grant could be similar to the New York State "Bundy Aid" program. While Bundy money is available only to independent institutions, a Federal grant could be made available to institutions in both the public and independent sectors, as costs certainly do increase for the educational institution regardless of sector of service or affiliation or non-affiliation with a State Government. Part-time adult students often need just as much service as full-time students, although they bring far less revenue to the college. After completion of their education, these adult learners will bring great benefits to our nation as has been proven by the G. I. Bill.

The lifelong learner means a great deal to our colleges and universities. The future of a very large segment of higher education is becoming more and more dependent on the adult student. Do not get me wrong, the adult has always been there, but his or her needs have not always been met. With fewer traditional-aged students, more attention has been focused on the adult population, and it is a population which we in education have found with a strong desire and motivation for learning, provided education can be obtained conveniently, flexibly, and, of course, with minimum financial strain.

A study conducted last year by the New York State Education Department showed significant increases in the number of "older" students attending American colleges and universities between 1970 and 1976. It showed an enrollment increase during that time period of 80 percent in the 25 to 29 year age bracket, and 78 percent in the 30 to 34 year bracket. Further, "In 1970 these two (segments) comprised 20 percent of total postsecondary enrollment, in 1976 they represented 25 percent of the total postsecondary enrollment."

A New York State Education Department survey also conducted last year examined the age distribution of both full-time and part-time enrollment in the State for Fall 1977. This showed that more than 13 percent of New York's full-time postsecondary students are 25 or older and 60.5 percent of our State's part-time students are in the same age bracket. Clearly the population and its need for service exists.

Five years ago, most of our students at Mercy College were traditional, full-time students. Statistics for Mercy College for the 1978–79 academic year show that one-half of our full-time students are over 25 and one-quarter are over 32 years old. Of our part-time students, 25 percent are over 36 years of age. One-quarter of our total student population is over 33. The median age of all Mercy College students is 27. For our full-time students the median is 25, and for our part-time students it is 30.

Mercy College is pleased to be able to help meet the needs of this population of adult learners through convenience of location and flexibility of scheduling. A study we conducted shows that the students who attend our extension centers in Yonkers and the Bronx live within a four-mile radius of the center, and those enrolled at our White Plains extension center live or work within a four-mile radius. Convenience is certainly a major factor! How many more students would attend college if financial aid were available for less than half-time study is unknown. However, I believe that if such funds were available, enrollments at colleges would climb as those who greatly desire a higher education would not feel the great pressure of conflict in juggling work and family responsibilities, and one of the major barriers to the adult's pursuit of a higher education would be eliminated.

We live in an age of lifelong learning. Our colleges and universities stand willing to work with the Congress to meet the needs of these lifelong learners. We at Mercy College are grateful for your Committee's support of lifelong learning.

Gentlemen, thank you very much.

Mr. PEYSER. Thank you very much.

Our next panel member who will testify will be William Proto, director of student services, City University of New York. If you have written testimony, it will be entered in its entirety in the record. If you wish to give us the highlights, or whatever you wish, we will be delighted to receive it that way.

STATEMENT OF ANGELO PROTO, DIRECTOR, CITY UNIVERSITY OF NEW YORK

Mr. PROTO. As director, I have really five responsibilities, one of which is the Office of Financial Assistance, one of which is the centralized admissions for the university and 17 colleges, another is the computing center where a lot of the work takes place, the third is the Veterans' Affairs Office at the university, serving the veterans who are attending the university, and the Veterans Center, and the last is something that was addressed a little differently, and it is the Basic

Education Opportunity Center, which is a federally funded program under HEW.

I will say that I prepared this testimony thinking about one thing, but I have made quite a few change in it. So, I am going to read parts of it, and then I will elaborate later on.

As a little background, the mission of the university, really, dates back to its founding in 1847, to provide the best education for all people, understanding that the social character of the education will be judged by the lasting fruits it will bear for this society.

Over the past 132, City University has responded to the needs of all people by expanding its programs, diversifying its academic programs, and being more flexible in its approaches to learning. Being mindful of its commitment, the university has joined the city community, its neighborhoods, to offer innumerable cultural, vocational, recreational, and academic programs.

We became mindful of the changing nature of the students in this past decade, and as was stated earlier the traditional student is on the decline, and the decline is going to progress through the 1990's.

Second: The population of the city has changed dramatically. There has been a great shift. There are more black and Hispanic individuals in the metropolitan area in search of job opportunities. These groups often find themselves at an educational disadvantage. Their academic preparation at the time in the inner city is really at a level of low achievement in the basic skills area, and it is really at a minimal level, I should say.

Third: The labor market has altered. Job growth is most prevalent in the white-collar sector. This really, in turn, requires more education and training for people to redefine what their occupational goals are, and how to reach them.

Historically, with the open admissions program, the university tried to reach this response, and admission was extended to all. The enrollment increased tremendously in the early seventies, not only with the high school population, but the adult population. Once they no longer needed specific criteria, but just a high school graduation, they came to the university in great numbers. In fact, we reached the high point of havng a little over one-quarter of a million people in total enrollment in 1974–75.

However, the part-time students made up a large part of that population. The university had a radical change in its population, and in the imposition of tuition. That came about in 1976.

The part-time student, as was brought out earlier today, it ranges anywhere from 3 credits up to 11.5 credits. However, the Federal Government only acknowledges part-time status and approves Federal programs for those taking six or more. There is a large part of that population that is not being served in any way.

These older, wiser adults are unable to advance their education by taking normal course loads, yet they are anxious to upgrade their level of knowledge to improve their job status. Many individuals are single heads of households who wish to return to the work force, or just want to increase their educational skills. Others are members of minority groups, struggling to move up the work ladder. Financial support for these populations is crucial.

Even though the population of adult learners is increasing, this is just some data that reflect City University's status in this population.

Prior to our having tuition, we had 48,000 attending the university taking less than six credits. With the imposition of tuition, the current data on that population shows only 18,000 such students attending. This does not mean that they have left the university, it just may mean that they have had to increase their course load to part-time, meaning six credits or more, or the full-time status. But a large part of that segment just simply disappeared. It is my contention that they have not gone anywhere else. They just could not afford the tuition rate at the university, and they could not qualify for the Federal programs in terms of aid. They just could not afford to go anywhere else.

It might be suggested, covering Federal financial aid to part-time students, less than six credits would be sufficient. I would also contend that we have a large segment, and everyone else does, of the nondegree students. Right now the aid program is for degree students only. However, a large number of the students who attend don't want to go for a degree. They are just coming back for professional objectives, and they only want to take one course or two courses at their own rate. They, too, are not being considered in terms of aid.

In our society, we encourage learning throughout life, and the State the Federal Governments must pursue policies directed toward encouraging learning opportunities.

Provisions to restrict aid to those enrolled in matriculating programs of six credits or more is wrong. There are some other things that have to be done to service this adult population. As my title indicates, I am in charge of student services, and I take that term "services" very literally. Usually, the evening sessions when these people are attending, the late afternoon or evening services are at a minimum, one or two staff members in these offices are provided.

Those receiving financial aid, many times when they come to pick up their check, they have to come in the daytime to pick up their their check because the staffing pattern at the college may not be sufficient.

Along these lines, and I am going to deviate and tell you some things that will relate to some of the things that were already mentioned.

With the CBOC, the Federal program, we have created a data bank on some of the things that were talked about earlier. We have child care data, we have financial aid data, we have educational programs throughout the State of New York, and postsecondary education interests. However, we are limited in providing that information because of the specific geographic area that the project is funded for.

However, a lot of work goes into gathering this data, and its seems that just to have it sit there, because of legislative action as to who you can service with it, it seems to be a waste of resources.

Half the staff funded out of CBOC are research staff who investigate where the agencies are, type of agency, the type of education, and put it in the data bank. What it really means is that when an individual comes in, and says:

> I would like to be an electrical technician, and I want to study nights. I only want to study in the Burrough of Queens, or Westchester County, or wherever it may be.

Those terms are plugged in, and right away the student has a read-out of the programs.

Problem No. 1, it is limited in scope of where the students can be served. Problem No. 2, as far as advertising the program, there is very little advertising done at all for postsecondary education, and much less of financial aid for postsecondary education.

Child care, a lot of schools have reacted to that need and have created child care centers, but they are very minimal, and most of them are in the daytime. It is the assumption that the working parent who is the head of a single household does not need child care at night also, so that they can attend school.

There are a lot of things that unions may be doing in this area also. There are two districts, besides District 37, working with the university, locals 74 and 237, which have expanded on a very minimal level in terms of reaching out to their population.

The initial part of that program was for the traditional student, for the children of the members of the union. Over the past 3 years, they have had to rethink the scope of their program, and they are not reaching out to their membership, providing scholarship programs, and financial counseling.

The other part that was mentioned in testimony earlier is the lack of skill in the Hispanic population in the metropolitan area. There was a question earlier about ESL programs, and what type of programs there are. The students are not eligible for aid, yet before they can pursue a postsecondary education on a collegiate level, they must gain the skills to be able to communicate in the classroom, writing skills, and also mathematical skills.

This type of program should be encouraged to be increased with some Federal aid. In the city of New York, I can tell you that we run an office of admissions. The day after Labor Day, we had 377 people walk through the doors to be served. That was the highest number we have ever had to serve before; 80 percent of them are adults. They come to us with a foreign background education, no high school background at all, GED recipients, all in need of educational benefits.

On of the barriers that we are constantly faced with is the timeliness of financial aid programs. When they come in on August 3, or on August 31, or September 9 or 10, and they find that they are applying for admission, but when it comes to the registration process, they can't get a tuition deferral because the processing of aid, the awarding of the BEOG program, or the TAP program takes up to 6 or 8 weeks of time.

At the university, we do the TAP processing for the State, so we don't have as much problem with the tuition assistance program. However, with BEOG, it is really one regional center where all the applications go. It is really an impediment to the students to get a quick turnaround when they want to attend college, and when they can get the information back prior to the registration process prior to attendance.

I would be remiss if I did not say, for the record, that I would like to thank Congressman Biaggi for all that he has done for higher education, and in particular for his assistance in getting the aid program to City University soon as possible.

I will be prepared to answer questions.

Mr. PEYSER. Thank you very much.

Dr. Doran, you are our next panelist.

STATEMENT OF MICHEILEEN DORAN, DIRECTOR OF ADMISSIONS AND FINANCIAL AID, PRESIDENT, NEW YORK STATE FINANCIAL AID ADMINISTRATORS ASSOCIATION, MARYMOUNT COLLEGE

Ms. Doran. I would, as many of the panel members have done, thank you for the opportunity to speak this morning. I must admit that the 600 members of the New York State Financial Aid Administrators Association have actually eagle-eyed the procedures of the House subcommittee as you worked on the reauthorization bill, and we are very anxious to get our hands on the actual bill.

It was very heartening to read that the subcommittee is going to include language that would exclude the home equity computation in the need analysis process for basic grants. I would also like to see the opening up of supplement educational opportunity grants, and basic grants to students who are less than halftime. We would certainly look for the extension of eligibility to more than 4 academic years. There is certainly much sentiment for the removal of the $200 limitation on basic grants.

Intriguing enough, I have not found much attention paid to the fact that at this point, with regard to the State student incentive grant program, the encouragement to States to further open that particular program up to students who are less than halftime.

It is my understanding that right now only 13 States and 2 outlying territories extend the benefits of SSIG to less than halftime students. Encouragement in that area. I think, would also be particularly timely.

Interestingly enough, I am sure you are well aware of the fact that in New York State, students must take at least 12 credits to be eligible for New York State's tuition assistance program. One, we find it shocking enough in New York that the part-time student population represents 30 percent of all undergraduate students, and yet at the same time only receive 6 percent of the Federal moneys in the State. Then when you look at the fact that they receive zero TAP dollars, that would certainly be cause for concern as well.

Moving along, I would say that attitudes are certainly important. That has been underlined this morning, and I would certainly like to underline that factor again. Speaking quite frankly, as a college financial aid administrator, I would have to say that myself and colleagues very often do view adult as "difficult," difficult to deal with.

I can imagine that on many occasions that has been the experience of adult students returning to college, varying credit loads make it difficult for financial aid administrator to come up with the financial aid process. You are not dealing with the traditional student. More time is certainly a factor that comes into play.

It was interesting for me to read portions of the House testimony that made the point that these problems could now be diminished because campuses invariably had computer capability, which could then reduce the overhead costs of computing the basic grant of less than $200.

I would have to say, quite frankly, from my own institutional perspective that such computer capability is not readily available.

At the introduction of these hearings today, I was heartened to hear that you were asking for specific recommendations, and one I would like to make is, you well know the administration has finally come our way, and proposed an administrative cost allowance for the processing of basic grants. I believe the figure was $10 per basic grant. Unfortunately, Congress did not see fit to fund that particular provision.

Financial aid administrators, not to sound too much like a lobbyist, are overworked, understaffed, underpaid, I am sure you have heard all of the rhetoric before, and certainly some sort of allowance for basic grant and also guaranteed student loan processing as well, considering the volume as a result of the recent passage of the Middle Income Student Assistance Act, would certainly serve us well.

I am sure that Dr. Grunewald would agree with me that it would make it financially more feasible to lend the support necessary to financial aid officers.

I think one critical point to make this morning is that increased amounts of funding are only part of the problem. The actual delivery of these funds to students may well be the greatest single barrier to adult pursuing education.

We have heard much testimony this morning, particularly from people who were allied with the library groups, that further information, data bases apprising students of the availability of further educational opportunities was, indeed, important and deserved funding. I certainly agree with that. But all the information in the world is not going to help much if it takes from 6 to 7 weeks for a student to hear about the amount of eligibility. They may demonstrate poor funding, if any, and then actually be in a position to take a voucher, or whatever form of payment is used by a particular institution, to the business office to actually pay the bill. Paying the bill is, shall I say, a very important component of the institution's perspective.

As I mentioned, it does, under the present situation, take 6 to 7 weeks for students to find out whether or not they are eligible for financial assistance. The system currently in place, and I am not going to burden you with the jargon, is called multiple data entry, which essentially is a decentralized process.

The point I would like to make now is that it could, with present technology, be decentralized even further. I would say the technology presently exists to apprise a student within 30 minutes, prior to registration, whether or not they are eligible for aid, and how much.

As I mentioned, the further decentralization of this data analysis could lower the barriers to many adults seeking further education. I think you may be interested to learn that it would not cost any more. This would be a trade-off, so to speak, between what is currently paid under the multiple data system and what it would cost for institutions, let us say, Boxie in Valhalla, who have the computer capability to analyze the data that the student would submit on the spot, and receive a needs analysis that they could take to Mercy's or to Marymount College's financial aid office and subsequently to the business office.

I think that this is a very important component for us to consider. I think the point is to tie it all to what is happening in the Federal arena, the Office of Education Bureau of Student Financial Assistance. It is a bit disconcerting for us to learn that there may be movement in the exact opposite direction of what I propose this morning.

I understand that the reauthorization language does address the matter of a single, simple form, and also the matter of a single needs analysis system. They have not quite gotten around to the point of recommending that we go the single, centralized, national processor. I would think, considering the present trend of the Office of Education, that that may not be far behind.

In the words of the departed Mr. Kornfeld, this was indeed the thrust of his movement, that we centralize processing to the greatest extent. It would seem that we have been given a reprieve through the upcoming 1989–81 processing year.

Movement toward a national, centralized processor raises the spectre of unanticipated delays for students. It may take 6 or 7 weeks through what we might consider a decentralized process at this point, it might take even longer. Anything could happen to the computer. A computer down in the purview of the single, centralized processor would mean great problems for many students.

I would like to conclude by saying that the technology is available. A very homely comparison, if one can walk up to a American Airlines ticket counter, feed in appropriate information and within a matter of minutes have a ticket that is going to take Heaven only knows where, I would say that the technology does exist where one could feed in certain needs analysis information, and have on the spot eligibility calculated.

A less centralized approach, I think, will certainly insure simple, timely and efficient delivery of funds to students. I think we think with our present technological capability, that is certainly within our range.

When one deals in the higher education arena, one frequently hears about partnerships between Government and higher education. I think moving toward more ready access to financial aid, actual delivery of financial aid would be a marvelous opportunity to actually enhance that partnership. It would, indeed, have the net effect of students being more adequately served. They would, indeed, be privileged to have the access they would like to enjoy to higher education.

I think access would more quickly become a reality rather than an oft repeated promise.

Thank you.

Mr. **Peyser**. Thank you very much.

Our next panelist is Dr. Julius Ford, dean of student affairs at Westchester Community College.

STATEMENT OF JULIUS FORD, DEAN OF STUDENT AFFAIRS, WESTCHESTER COMMUNITY COLLEGE

Mr. **Ford**. Thank you, Mr. Chairman.

Let me also reiterate my appreciation for the opportunity to express our concerns in this respect at Westchester Community College.

We, too, like Mercy College, have a nice campus. I know you are interested. You have been there, and we are appreciative of that.

We have touched on the definition of the part-time adult learner, and I assume that we are talking about a student carrying at least 1 credit, 1 course, and certainly fewer than 12 credits in a postsecondary institution who is over 21 years of age. That is my personal definition.

Just let me briefly tell you about Westchester Community College, It is a public 2-year coeducational institution, offering vocational, transfer, and continuing programs. It has three major sources of financial support, the State of New York, the county of Westchester, and the student tuition. Theoretically, we get a third from each of these sources.

Of the 14 colleges and universities in Westchester County, Westchester Community College is one the largest, if not the largest, to serve both full- and part-time enrollments.

During the fall semester, the 1978 semester, we enrolled approximately 7,900 students in credit courses, and another 2,000 students in noncredit offerings. All of the noncredit students attended on a part-time basis, and roughly 3,750 of them the credit students were also part-time.

As you can see, part-time students are of major consequence to the college, since the majority of its head count is part-time attendants. I might say that this is also true of the other 32 community colleges in the State of New York.

Many of our part-time students are heads of households, as has been pointed out, males and females who are holding down jobs, which mandates their part-time status. The majority of our part-time students, approximately 52 percent of them, are females. Seven percent are veterans or dependents of veterans, and about an equal percentage of minority backgrounds.

In general, the part-time student comes to Westchester Community College to upgrade his skills and to improve his job status. Also, many come to fulfill lifelong learning.

A study of the college's 1978 graduating class indicates that 35 percent of the graduates of the college who were surveyed continued their education beyond Westchester Community College, but 65 percent of them took jobs after graduation.

Since 1969, our part-time enrollment has steadily increased every single year with the exception of 2 or 3 years. In the future, Westchester Community College will be expecting to enroll more part-time students than we presently have. This population is important to us.

We do not know the full scope and extent of the financial needs of the part-time students attending Westchester Community College, or the importance of financial information and aid to them. We do know that problems related to finances are a concern for both part-time and full-time students attending the college, with the weight of the problem being greater for the full-time student. It does not mean that I am anti-part-time.

This is supported by two recent studies at the college, one conducted by myself and another by a professor in the physics department, who did a descriptive study of the special needs of part-time students as a doctoral dissertation.

In the study completed in 1979, she found that full-time students compared to part-time students felt that the cost of books and supplies were a greater problem. The had to buy textbooks that were not really necessary. They had to look for part-time work without success. They thought of dropping out of college because of money problems.

In my study, done in 1978, we found that 7 out of 10 full-time students expressed the need for more financial aid information. Fewer than 5 out of 10 part-time students needing financial aid information.

In administering financial aid to our adult, part-time student population, we have been encountering the following difficulties, and some of these have been tounched on. Testimony by Mrs. Marshall and Mrs. Phillips, I believe, indicated this.

Explaining eligibility rules; providing professional and clerical staff to work with part-time day and evening students; and assisting to complete complex financial aid forms.

The most helpful form that additional Federal support could provide for part-time student populations at Westchester Community College would be some kind of tuition assistance, something similar to the New York State tuition assistance program.

We realize that funds for financial aid in higher education are not limitless. Therefore, given the statement that Federal resources are imminent, establishing priority for aid in addition to current commitment would be exceedingly difficult. Above all, some cognizance should be taken of the impact of inflation on the student's income.

In general, the following are barriers to adults, and part-time students in gaining access to postsecondary education, and particularly at Westchester Community College: Inability to pay tuition cost; inadequate public transportation; poor high school preparation and background; inability of the college to satisfy schedules convenient and possible for the students; limited classroom facilities; lack of a day care center; limited supportive services and facilities which make school attendance difficult for handicapped or disadvantaged students; psychological impairments which prevent effective college attendance.

The above barriers are monumental, but are not unsurmountable, given adequate Federal, State, and local support for elementary and secondary students, mental health facilities, public mass transportation, increased support to higher education institutions, and capital outlays and needed renovations in construction.

To sum up, it would indeed be unfortunate if we did not get some additional support for part-time students because it would mean that we would exclude a large segment of students from taking advantage of higher education.

Thank you.

Mr. PEYSER. Thank you very much, Dr. Ford.

Our last panelist is Ms. Mattie Cook, president of Malcolm King Harlem College Extension, New York City.

STATEMENT OF MATTIE COOK, PRESIDENT, MALCOLM KING: HARLEM COLLEGE EXTENSION

Ms. COOK. Thank you. It is a pleasure to be here again. I would like to ask that I be permitted to read my statement because I feel that there is a little different emphasis that is going to come from my paper than has come from the traditional postsecondary college route. So, I would like for that reason to read it through to you.

I must say, in inviting you to talk about community-based operations, you will not see the campuses that you spoke about, but we do a significant job, too, and that is what I am talking about.

Just to mention Malcolm King Harlem College Extension, it is only the independent, associate level-college that exists in the New York City area. It has been in operation for 11 years, and has during this time made it possible for over 10,000 people to resume, continue, finish an education that had long been desired.

However, today I am appearing before you representing a broader constituency than Malcom King. In fact, our constituency is a national representation. As a witness testifying on behalf of the clearinghouse for community based free standing educational institutions, I am speaking for 37 institutions that are members of this kind of an operation, or this kind of an educational provider, of which Malcolm King is proud to be a founding member. Just to give you a flavor of who they might be, and who they represent:

Colegio Cesar Chavez, which is a 4-year college in Oregon, serving the Chicano community;

Colegio de la Tiera a 2-year institution serving the farmworking community in central California;

Navajo Community College in the Navajo Nation in Arizona and New Mexico, serving the Indian population;

Flaming Rainbow University, a 4-year American Native instituton in Oklahoma;

Miles College-Eutaw, operating in Green County, Ala., serving rural blacks in the fifth poorest county in the Nation;

Native American Educational Services, 4-year institution serving the Indian community in Chicago;

In New York, there are seven of, including the College of Human Services, Experimental and Bilingual Institute, Solidaridad Humana and the East Harlem Block Association.

I would like to speak briefly about our institutions in order to put my comments in perspective.

Our institutions share a common experience and purpose:

They exist in poor communities, physically, where statistics consistently show high unemployment, low incomes, bad housing, low educational attainment, poor utilization of health services, and high incidence of illness.

Their constituencies tend to be adults, burdened by multiple disadvantages, including a history of frustrating school experiences, which over the years have reinforced feelings of failure and suspicion of education and its institutions.

As community based institutons, they view their million not only in serving individuals, helping to move people from hopelessness and despair, to the acquisition of new skills and self confidence, but also in acting as mobilizer catalyst for the solution of other community problems.

In short, our institutions tend to serve individuals and communities that more established institutions of higher education have not been able to serve, even when financial barriers are removed through student aid programs.

Indeed, for more of our institutions, the majority of our students would not have attended college had it not been for the existence of the community based institution.

In addition, our institutions claim relatively high retention rates, and a substantial rate of success transfers of their graduates to more established institutions of higher education.

Even more importantly, after graduation, many of these individuals return to work in their community. This is perhaps the greatest measure of success of our institutions, which have as a primary mission the development of community leadership.

There are many good reasons for the success of our community based institutions among the most underserved of our people. As genuinely grassroots organizations, they are perceived by the community as being "theirs," of the community and for its people. Courses are relevant to the needs of life of the student. The cost is low, the scheduling is at the student's convenience.

The faculty is familiar. The meeting place is accessible, familiar and not threatening. The method of instruction comfortable and culturally relevant. The requirements are flexible. In other words, these are student-centered institutions.

At the same time, they are demanding high standards of quality. Poor people cannot afford to invest their scarce resources in an adventure that will show no returns. Our institutions understand and respect this fact. If they didn't, they would not last long in the community. Similarly, they can capture and preserve the values and culture of their people, offering a protecting/nurturing environment for learning as no other institutions external to the community can.

To the extent that our institutions represent an opportunity, often the only opportunity, for participation into the higher education system by underserved adults, a major barrier to those students in gaining access to a postsecondary education is the recognition and legitimacy of community based education as effective mechanisms for promoting national aims for equality of opportunity and equity in education.

At this time, community based educational institutions cannot participate in Federal programs of support for education, including financial support for their students, because of restrictive eligibility requirements. Changes in the student financial assistance structure will be of little consequence to our institutions unless the eligibility provisions are also changed.

The present law recognizes the established, traditional institution of higher education as the primary, if not the only mechanism for the delivery of education. This was perhaps true in 1965, when the Higher Education Act was enacted. Today, new constituencies and new demands for education require an expansion of that system to include new, alternative structures that have proven effective in dealing with new demands and clienteles.

There are precedents to this. The Adult Education Act was recently amended and new regulations have expanded eligibility to these programs to include community-based organizations. The Department of Labor relies primarily on community-based organizations to carry out its training programs under the Comprehensive Employment and Training Act. The Community Services Administration has similarly relied on community-based organizations to carry out its mandate of service to the poor.

Community-based educational institutions have also been receiving greater recognition among academic circles. A recent book by Dr. Virginia Smith, Former Director of the Fund for Improvement of Postsecondary Education, and now president of Vassar College, and Alison Bernstein, a program officer at FIPSE devotes a full chapter discussing these institutions.

They state that "evidence continues to mount, suggesting that students from a variety of subcultures do not fare well in the institutions that we have built to hold them," and that "The small, community-based institution offers an important alternative to the mass education of minority students."

Incidentally, FIPSE has supported a number of innovations within community-based institutions and was primarily responsible for the establishment of the clearinghouse.

A second publication reporting on a recent study by the Ford Foundation on Adult Literacy in the United States, also discusses prominently the valuable and effective role of community-based institutions. The study's principal recommendation is the establishment of new pluralistic, community-based initiatives whose specific objective will be to serve the most disadvantaged hard-core poor, the bulk of whom never enroll in any existing program.

In response to your question regarding the form of Federal support that would be most helpful to our institutions in serving adults, and your request for suggestions for Federal initiatives that would help overcome the barriers to adults and part-time students in gaining access to postsecondary education, we have two recommendations.

First: Recognize the value and contribution of community-based educational institutions by expanding eligibility provisions of the Higher Education Act to include these institutions, particularly Title I: Community Service and Continuing Education, and Title IV: Student Assistance.

Second: Establish a program of grant support of community-based educational institutions to help demonstrate their effectiveness, disseminate their approaches and methods and strengthen their programs. This can be a one-time 5- to 7-year initiative costing about $5 million each year.

Community-based institutions have served their communities for many years under the most difficult circumstances, without the resources, such as endowments, State or Federal support, that are normally available to institutions of higher education. We believe that in the last 20 years they have proven their value.

Their communities need them, and their survival and growth is important to the health of the Nation. More poor communities need to establish community-based programs. The time has come for recognition and legitimacy of community-based education. We urge you to act to help secure this valuable national resource.

Thank you.

Mr. PEYSER. Thank you very much for your testimony.

I will ask Congressman Weiss if he would initiate the questioning.

Mr. WIESS. Thank you very much.

In my earlier comment to the other panel, I indicated that I thought that attitudes of administrators of institutions were imporant, but that just as important were perhaps unintended elements which are discriminatory toward certain classes of students in very critical situations. I am also very critical of the situation.

Let me now consider the reverse and ask if you have heard, and you have listed some of them yourself, some elements which are simply the result of certain attitudes, or certain fiscal problems, which you may be facing at various institutions.

Given the statistics which you have cited, the role that the adult students play now in the institutions, why has it been such a slow process in recognizing that some of the services, whether it be financial officers, counseling services, or whatever, why has it taken so long for the institutions to come to grips with those needs and making those services available.

Mr. PROTO. The aid program, most of the recipients today, to keep the office open at night would mean a tremendous increase in staff that would be required. I am speaking just for City University now. We have had tremendous pressure on the resources for the type student services that we are lacking in our institutions because of the lack of dollars.

We have attempted to computerize our financial aid program. We did get permission to be our own needs analysis processor, and by this we have processed directly 43,000 applications for need. Also, in terms of the computer processing program, we are processing the TAP program. We are a unique university in the State in that we do the TAP processing for the Higher Education Services Corp.

However, for the Federal programs, we are not a BEOG processor, and things come back very late.

We are trying to meet this problem. We are trying to get the needs analysis prior to the registration. I would not say 30 minutes prior to, but we have a record of receiving it within 24 hours, and the student has an estimated needs analysis in our files. We are trying to answer th problem in terms of total staff, we have one person at the terminal to call up the student's records, and actually go through the registration process.

The disbursement of checks is another issue of concern. What I am trying to do this semester is to expand the hours in the financial aid office, to meet the students' needs, to get the money that they need to attend the university.

We are going to try to relocate one or two staff members from a daytime schedule to an evening schedule, so that four or five nights that service will be extended to those students. The restriction has always been on resources.

Ms. DORAN. Speaking as the representative of an independent institution, I am certainly not going to imply that CUNY has limited resources. Certainly, ours are limited, are limited even further.

Certainly, those additional hours that are needed on weeknights and weekends are certainly fiscally impossible. Having the offices open from 9 to 5 at this point is costly enough. Certainly, we agree that these additional services should be available, as you so astutely point out. It is a matter of fiscal incapability of doing that.

Mr. GRUNEWALD. I would like to disagree with both of my colleagues. It is more a question of attitude than money. If a school is dedicated to life-long learning and takes the attitude that every student is important, whether he comes during the day or in the evening, then the services of that school are going to be set up differently.

At Mercy College we open our offices in the evening, sometimes in the morning we are closed, and we say: "Day students can come in the evening on Tuesdays," because we have to juggle our limited staff. But we try to share the staffing equally among all students.

Resources are always going to be limited, but it doesn't mean that with proper attitudes you cannot do a better job of serving the evening student. I think that this is one of the reasons that Mercy College has grown. When I came to Mercy College 7 years ago, we had 1,500, and we have over 800,000 students, and the medium age of our Mercy students is 27 years, and one-quarter of our part-time students are over 36 years of age.

We have deliberately changed that to try and help the adult learner. I think that much more can be done in every school, including our own, to carry that further. Faculties tend to be resistant. When I came here, our day faculty was the primary thing, and the evening faculty was sort of an afterthought. I changed the loads, and I made the evening just as important as the day.

Every faculty member here teaches in the evening as well as in the day as part of the regular load. I think there are a lot of things that can be done that are a question of attitude, and not a question of money. More money, certainly, is always helpful, but I think the attitude toward part-time students and adult students is more important than the money.

Mr. Weiss. Dr. Ford.

Mr. Ford. At the community college, I find that it has been a matter of resources. It has also been a matter of attitudes. I must say that the shrinking traditional student market has also been an influence that has impacted on both attitude and resources. Where the attitude is concerned, it is a matter of making the case with the right people. The resources are needed and we have gotten additional resources in our financial aid area in the past 3 years, though not enough still. That is all I can say.

Mr. Weiss. Ms. Cook?

Ms. Cook. Because Malcolm King operates a late-day program, anyhow, we usually have the services we are talking about available. The thing that we have great difficulty in, is getting information about student eligibility. That hampers us greatly because we have mostly adult students, and they come in and need services at the later hour.

However, I would agree that none of our institutions are funded sufficiently to take care of that population, and give all the adequate support systems that are needed in terms of the late-day counseling that may go on, the financial assistance that may go on, and the developmental skills.

I agree with Dr. Grunewald, however, that each institution has to see that as a priority before they can work it out and make it fitting to anything they are doing.

Mr. Weiss. In asking the question, I was really taking cognizance of the statistics that you had cited, indicating that anywhere from 20 percent to perhaps 50 percent of the student bodies, and assume therefore the income of the various institutions come from part-time students, adult students, nontraditional students.

It would occur to me that certainly there is a significant percentage, and if you do nothing more than to allocate an equivalent percentage, or an even slightly less percentage to take care of other overhead costs of responsibilities and obligations, you might at least be treating more fairly, more equitably those students who do not fit into the normal 9 to 5 schedule.

Mr. **Proto**. I want to say that when I talk about the university, I am talking about the 17 campuses. Not all of the part-time students at our university are evening students. Our population is quite diverse.

The university has really committed itself to the population it serves in terms of the skills, the classroom, more so than possibly the business aspect, the administrative aspects of delivering other types of services. You have to take a look at where your resources are going for the education of those populations.

Mr. **Weiss**. Over the course of the last few years, has there been an improvement in the process of financial aid, or has it gotten worse?

Ms. **Doran**. It has pretty much stayed the same; it is a 6- to 8-week turnaround time.

Mr. **Weiss**. It is very disturbing not only to you but to us. Perhaps we will do before this new authorization law is completed is to see whether we can, in fact, settle that whole process.

Ms. **Doran**. The Financial Aid Association, 2 years ago, produced a report called "The Common Form," which I just happen to have a copy of right here. It does in detail structure the type of system we would have in mind.

I will see that you get a copy of the report.

Mr. **Weiss**. Thank you very much.

Mr. **Peyser**. Thank you, Congressman.

I wanted to particularly make reference, Dr. Doran, on some of your comments. The subcommittee bill has already been transmitted to the national offices of the administrators, so they are reviewing it.

Also, the subcommittee bill does include a $10 fee situation for the grants, which is what we spoke of.

Ms. **Doran**. Now, what we need is the appropriation.

Mr. **Peyser**. Also, I would like to comment on your discussion with Congressman Weiss, dealing with the problem that you speak of. I am particularly interested in that, and I might even ask if you want to set this out as sort of a step-by-step process. This would provide us with a monkey wrench award to the regulatory agency involved. So if you have the opportunity, you and your colleagues, of putting that together, it would be worthwhile.

Ms. **Doran**. We will do that.

Mr. **Peyser**. A question that I have, perhaps several of you would like to respond, and it is on the statement of Dr. Grunewald, the thrust of his comment being in the area of flexibility of moneys.

How would you see the flexibility of money, because as you recognize, it is necessary that there be certain guidelines in certain areas or we could not get a program through.

Ms. **Doran**. I did read some of the testimony that was provided to the House subcommittee showing that 10 percent of the campus-based funds being set aside for the discretion of financial aid administrators to award to less than halftime students. To the best of my knowledge, it is not included in the bill that you have produced.

Mr. **Peyser**. I wondered, Dr. Grunewald, if you had a broader sense?

Mr. **Grunewald**. That is basically the kind of flexibility that we need. By eliminating something like the halftime, or something like the half dollar, eliminating the restriction on people to sell their house if they wanted to go to college, that kind of a barrier could be eliminated, and then a particular institution would receive a certain amount of money, then judgments have to be made within that.

The financial aid office can take a look at the records of the applicant academically and financially, and do it within the Federal guidelines. But I would like to see the limitations on adult part-time students, if we made that a little more flexible, I think, then, we could do what we have to do.

We know that in New York State, over the next 10 years, the enrollment of traditional students will decline probably 40 percent or 50 percent, if the funds were shifted, older people might decide that they want to come back to school and learn new skills. I don't think that it is going to take a great deal more money, but it is going to take a great deal more judgment on how the money is spent.

Mr. PEYSER. We had indicated that 1 o'clock would have to be our cutoff, and I see that it is 2 minutes of 1 at this time.

Mr. Weiss, do you have anything that you would like to add?

Mr. WEISS. It is on that college based fund. I understand that it will be in the subcommittee legislation. I think that the significant point is that the information that we have gotten from people like you across the country reinforces all of that.

Thank you.

Mr. PEYSER. Thank you.

[Whereupon, at 1 p.m., the subcommittee adjourned, to reconvene at the call of the Chair.]

[Material submitted for inclusion in the record follows.]

STATEMENT BY THE JOINT COUNCIL ON EDUCATIONAL TELECOMMUNICATIONS, PREPARED BY CHALMERS H. MARQUIS, CONSULTANT, JCET

ADULT LEARNERS AND HIGHER EDUCATION

As the fastest growing segment of American education, adult learners were a principal focus of a new JCET study of Telecommunications in Education. The study recommends greatly increased use of telecommunications—from TV and radio broadcast to audio and video cassettes, tapes and discs—for aiding adult learners. Attached is a summary of this portion of the JCET Report.

Adult learners will be well-served by the increased federal assistance to adult education contained in the legislative proposals now before the House Post-secondary Education Subcommittee. The JCET supports those provisions, as noted in the attached letter from JCET Chairperson, Eileen Cooke.

The JCET supports the University of Mid-America proposals to add special incentives for interstate telecommunications higher education consortia, a proven means to aid adult learners. The proposed language, rationale, and letter to Chairman Ford are attached.

The JCET also supports the important principle of aiding part-time students in higher education, as contained in H.R. 4848. We believe that there may well be serious financial barriers to adult learners who wish to participate in higher education, on the campus or via telecommunications. Our letter to Representative Ted Weiss supporting H.R. 4848 is attached.

Telecommunications can be an effective and economical method by which to bring higher education to adult learners. We recommend that the higher education legislation now under consideration provide full opportunity for the use of telecommunications in higher education for the particular benefit of adult learners.

Attachments.

NEEDS ASSESSMENT—ADULT/CONTINUING EDUCATION

(By Lee C. Frischknecht)

SUMMARY

Demographic and societal changes are causing increased interest in and need for adult/continuing education. Adult learners are considerably different than younger "school learners"; they have multiple interests, are self-directed, seek non-traditional methods of learning, and are highly pragmatic in their pursuit of education.

Several groups are important providers of adult/continuing education. Although colleges and universities are the largest current provider (19.1 percent), community and vocational colleges are moving more rapidly into the field (17.7 percent). Offerings by public schools (11 percent) and employers (15.3 percent) are declining.

Surveys indicate that between 80 percent and 98 percent of all adults are engaged in some kind of adult/continuing education with the overwhelming majority in self-planned projects. Only about 19 percent are involved in school-like projects involving a teacher or sponsoring agency—probably 17 to 20 million adults.

Participation in formal adult/continuing education is greater among people with the following characteristics: 25 to 35 years of age; caucasian race; more than average formal education and income; living in the west and in suburban areas. Least participation in formal programs is by people who are beyond mid-50's in age; members of ethnic minorities, below average in formal education and income, living in central cities and rural areas and in the northeastern part of the country.

Adults are motivated to participation in adult/continuing education by vocational/professional factors closely related to potential economic (and attendant social) improvement. The greatest barriers to participation in formal programs are lack of time and money, old age, lack of confidence in personal ability to deal with learning situations, misconceptions and lack of information and counseling about programs and procedures, and inconvenient scheduling, location, etc.

Most people prefer to carry out learning projects in their homes. Those who become engaged in school-like activities feel most comfortable in an educational setting they have previously experienced. There is evidence to suggest that the provision of formal programs utilized in the home delivered by non-conventional means such as the media is resisted because of the low visability and credibility of such programs. Television is the least objectional means among the media with 47 percent finding it advantageous, 35 percent finding it disadvantageous. The generally negative feeling toward non-traditional delivery systems stems in large part from an overall feeling shared by adult learner to seek projects which are interpersonally active rather than passive.

There are no summary statistics available on the use of telecommunications in adult/continuing education. However, it is known, for example, that informal use of formally offered telecourses exceeds participation by enrolled students in numbers up to 100 times greater. The national audience for public television series such as "Ascent of Man" and "The Adams Family Chronicles" which are offered by institutions for credit regularly exceeds several million people. But data are mostly non-existent concerning the actual involvement and effect of such series upon the non-registered, self-learners who view such series of programs.

The triennial U.S. Office of Education survey of participation in adult education is restrictive in its interpretation of what constitutes adult learning. This survey shows that 1,192,000 people participated in projects delivered by telecommunications in 1975, representing 7 percent of all such activity in that year. Use of telecommunications as a delivery system has increased markedly from 95 courses in 1969 to 1,500 in 1975—a percentage increase from .5 percent to 5.5 percent of all courses given.

The potential for the use of telecommunications for delivering adult/continuing education services is increasingly great. However, the tightening of resources available to education will pose difficult problems for those interested in expanding the use of telecommunications for these purposes. Competition will become more intense for students and money among all levels of education and among the several providers of adult education as well.

Telecommunications must find ways to take advantage of adults' interest in pursuing their learning in their homes. To do so, people's unfamiliarity with telecommunications as a learning device must be overcome, as must its impersonality. It must be promoted and marketed as an effective tool for adult learning, and techniques such as those used at Coastline Community College must be employed to bring about greater interpersonal contact between the adult learners and the providers.

JOINT COUNCIL ON EDUCATIONAL TELECOMMUNICATIONS,
Washington, D.C., August 3, 1979.

Hon. WILLIAM D. FORD,
Chairman, Subcommittee on Postsecondary Education,
Washington, D.C.

DEAR CONGRESSMAN FORD: On behalf of the JCET, I wish to commend the strengthening of federal support for higher and continuing education as contained in various proposals for revising HEA Title I.

We believe that support for lifelong learning and national needs priorities, as exemplified by H.R. 4531, and by the Administration's proposal, speak to increasing areas of federal responsibility. We particularly support the provisions of the amendments proposed by the National University Extension Association and the other major higher education groups as they relate to telecommunications and the need for interstate cooperation.

It has been our experience that telecommunications can be effective means for carrying out higher education and continuing and lifelong learning objectives. Further, the cost effectiveness of these activities can be increased by expanding them across state lines by means of interstate consortia.

We would be pleased to counsel with you further in these areas of our concern if you would like us to do so.

Sincerely,

EILEEN D. COOKE, *President.*

UNIVERSITY OF MID-AMERICA,
Lincoln, Nebr., August 7, 1979.

Hon. WILLIAM D. FORD,
Chairman, Subcommittee on Postsecondary Education,
Washington, D.C.

DEAR CONGRESSMAN FORD: As you will recall, the University of Mid-America submitted to you last spring a proposal to add a new Part C to Title I of the Higher Education Act. That proposal called for federal encouragement of resource sharing among institutions of higher education to promote innovative uses of technology.

We remain firm in our belief that support for those citizens who have not had access to traditional educational opportunities should become a federal priority. We applaud the initiative evident in H.R. 4531 and in the administration's proposal and we endorse those provisions proposed by the National University Extension Association and other higher education groups as they relate to telecommunications and the need for cooperation across institutional and state jurisdictional lines.

UMA and other cooperative ventures have shown that the prudent use of telecommunications and other educational technologists are effective means for fulfilling higher education and lifelong learning objectives. We would be pleased to share with you our experience in these areas if you wish.

On behalf of the University of Mid-America, I commend your interest in higher and continuing education, and foresee a new Title I which is truly responsive to the educational needs of the American public.

Thank you for your consideration.

Cordially,

DONALD R. MCNEIL, *President.*

PROPOSED NEW PART OF TITLE I

Section 101 (c) For the purposes of carrying out a program to promote resource sharing for innovative uses of technology in accordance with the provision of Part (c), there are authorized to be appropriated, $10 million for FY 1980, $15 million for FY 1981, and $25 million for FY 1982.

Part C: Resource Sharing for Innovative Use of Technology, Section 135 The Congress finds that:

1. the basic intent of previous legislation which encourages the provision of educational services to new populations and which supports resource sharing among those institutions of higher education remain valid;
2. despite the existence of legislation designed to impose access to education services, significant numbers of Americans are still not being served;
3. the experience of diverse educational institutions has shown that innovative uses of educational tcehnology have delivered educational services to previously unserved or underserved learners;
4. the cost of developing and delivering educational materials using telecommunications and other forms of technology is often more than individual institutions can bear; and
5. the use of such technologies can be cost effective.

Section 136 (a) The Assistant Secretary shall carry out from funds appropriated pursuant to Section 101(c) a program of financial assistance by means of incentive grants to assist and encourage consortia of institutions of higher education in the production, utilization and evaluation of instructional material, or alternative methods of instruction designed to extend the benefit of postsecondary education to unserved or underserved learners through innovative uses of technology.

Section 136(b). For the purposes of this part, the term:

1. "Incentive grant" means, funds awarded to enable proponents to carry out projects for which existing local or institutional resources are not adequate.
2. "Consortia of institutions of higher education" means, (a) two or more institutions which have made a commitment of financial and/or other resources to further cooperation or resource sharing in provision of educational services, (b) an agency formed by two or more institutions.
3. "Production" means, the planning, design and development of educational material.
4. "Utilization" means, the delivery of educational material and/or services.
5. "Evaluation" means, the assessment of validation of the effectiveness of educational materials and/or services.
6. "Innovative uses of technology" means materials or methods of instruction other than, or complementary to, traditional classroom instruction.
7. "Unserved or underserved learners" means, students whose educational opportunities are limited by geographic, economic, psychological, physical, or temporal factors.

Section 137. It is the intent of this part:

1. to encourage consortia of institutions of higher education which demonstrate the appropriate capacity to develop and/or deliver postsecondary education to adults for whom access to traditional forms of education is impossible or difficult;
2. to encourage resource sharing among such institutions;
3. to encourage the development and use of software related to telecommunications and other appropriate technologies.

Section 138(a). From the amounts available for grants under this part, pursuant to Section 101(c) for any fiscal year the Assistant Secretary shall make grants for the purpose set forth in Section 136(a) to consortia of institutions of higher education. The amount of any grant for any fiscal year shall be not less than $100,000, nor more than $1 million.

Section 138(b). Applications would specify:

1. the members of the consortium;
2. previous experience in tht area of the project for which aid is sought;
3. the contribution of funds and/or other resources of each member to the project for which funds are being sought;
4. the learner groups to be served by the project for which aid is sought;
5. the type of barriers which will be overcome by the project for which aid is sought.

Section 138(c). Applications will provide the complete plan for the evaluation of the project for which aid is sought unless the project is itself a project which proposes to evaluate a product or process.

RATIONALE

During the decade just ending, there has been a marked increase in the demand for alternative forms of postsecondary education, particularly among Americans older than the traditional college age.

The National Center for Education Statistics (NCES), for example, reported in its last triennial survey that part-time enrollments were increasing at a faster pace than full-time enrollments and that, by 1975, part-time students accounted for sixty-two percent of all participants in postsecondary education. At the same time, the percentage of college students aged twenty-five or older was increasing at a rapid rate.

NCES also reported that twelve percent of the adult population was engaged in further education by the middle of this decade. Other studies have estimated a potential adult enrollment of between 35 million and 80 million, and have suggested that the extent of adult participation will depend largely on the nature of public policy changes.

There are numerous indications that convenience—a hallmark of non-traditional and alternative forms of education—ranks as a high priority among these potential participants in postsecondary education. Many adults simply will not choose to go to a campus because of the inconvenience of giving up a portion of the work day, interference with the routine of family life, or inability to meet a regular class schedule because of other types of responsibilities. In some cases, fear of failure keeps an adult from attending a traditional program.

This proposal is responsive to these demographic and educational trends, and is supportive of the contention that a larger number of Americans should benefit from the intellectual resources found on college and university campuses. The proposal assumes that greater benefit is to be derived from cooperative efforts which mesh resources among several institutions which are willing to commit themselves to doing together what they could not do as well—or for so many—if they acted alone.

Finally, it provides federal encouragement for the notion that education should be made conveniently available to larger numbers of Americans on their terms, at times and places convenient to them.

JOINT COUNCIL ON EDUCATIONAL TELECOMMUNICATION,
Washington, D.C., September 6, 1979.

Hon. TED WEISS,
U.S. House of Representatives, Cannon House Office Building, Washington, D.C.

DEAR CONGRESSMAN WEISS: I write in support of H.R. 4848, your initiative to enable part-time students in higher education to receive federal assistance. The Joint Council on Educational Telecommunications, in fact, specifically advocated this sort of assistance in proposals sent to the House Postsecondary Subcommittee last February.

Our interest stems from the increasing numbers of persons who are participating in higher education by means of telecommunications, for example, by means of TV and radio broadcasts. These persons can be fully registered, tuition-paying credit students working toward a degree at a higher education institution. Typically, however, there are working people able to take only one or two courses at a time, and who are thus, under present law not eligible for federal assistance.

We do not know how many persons are presently being denied an opportunity to pursue this education advancement; no such records are kept. But surely there are those who are unable to afford even a $50 tuition payment, and are thus denied this opportunity to continue their education. And surely this is a most inexpensive way to help increase the educational attainment of our citizens.

I hope all those involved with telecommunications in higher education will give you their support.

Sincerely,

FRANK W. NORWOOD,
Executive Director.

MEMBERSHIP LIST OF JOINT COUNCIL ON EDUCATIONAL TELECOMMUNICATIONS

Agency for Instructional Television (AIT); Bloomington, IN
American Association for Higher Education (AAHE); Washington, DC
American Association of Community and Junior Colleges (AACJC); Washington, DC
American Association of School Administrators (AASA); Rosslyn, VA
American Council on Education (ACE); Washington, DC
American Library Association (ALA); Washington DC/Chicago, IL
Association for Educational Communications and Technology (AECT); Washington, DC
Corporation for Public Broadcasting (CPB); Washington, DC

Council of Chief State School Officers (CCSSO) ; Washington, DC
Great Plains National Instructional Television Library (GPNITL) ; Lincoln, NB
Indiana Higher Educational Telecommunication System (IHETS) ; Indianapolis, IN
Maryland Center for Public Broadcasting (MCPB) ; Owings Mills, MD
Mississippi Authority for ETV ; Jackson, MS
National Association of Educational Broadcasters (NAEB) ; Washington, DC
National Association of State Universities and Land-Grant Colleges (NASULGC) ; Washington, DC
National Catholic Education Association (NCEA) ; Washington, DC
National Education Association (NEA) ; Washington, DC
National Instructional Telecommunications Council (NITC) ; Williamsburg, VA
National Public Radio (NPR) ; Washington, DC
National University Extension Association (NUEA) ; Washington, DC
New Jersey Public Broadcasting Authority (NJPBA) ; Trenton, NJ
Ohio Educational Television Network Commission (Ohio ETV) ; Columbus, OH
Pennsylvania Public Television Network (PPTN) ; Hershey, PA
Public Broadcasting Service(PBS) ; Washington, DC
Virginia Public Telecommunications Council (VPTC) ; Richmond, VA

APPENDIX

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

[45 CFR Part 190]

Basic Educational Opportunity Grant Program; Family Contribution Schedules

AGENCY: Office of Education, HEW.

ACTION: Notice of proposed rulemaking.

SUMMARY: The family contribution schedules are the formulas used to measure financial need for the purpose of computing the amount of a student's award under the Basic Educational Opportunity Grant Program. The legislation governing the program requires that these schedules be submitted annually for public comment and for review by both Houses of Congress. The changes being proposed for 1980-81 in the family contribution schedules are intended to accomplish a number of objectives. Several of the changes are necessitated by the adoption of a common student aid application form for 1980-81. Others reflect a change in the assessment rate of income for independent students with dependents and in the treatment of income and assets of dependent students. Another revises the conditions under which a student may file a Basic Grant Supplemental Form using estimated data for the first calendar year of the award period instead of base year data.

DATES: Comments must be received on or before September 10, 1979.

ADDRESSES: Written comments should be sent to William Moran, Chief, Basic Grant Policy Section, Division of Policy and Program Development, ROB-3, Room 4318, 400 Maryland Avenue S.W., Washington, D.C. 20202. Comments will be available for public inspection at the above address between 8:30 a.m. and 4:30 p.m. Monday through Friday (except Federal holidays).

FOR FURTHER INFORMATION CONTACT: William Moran, (202) 472-4300.

SUPPLEMENTARY INFORMATION:

General Background

These proposed changes in the family contribution schedules for 1980-81 are being submitted for public comment. The final regulations resulting from this notice of proposed rulemaking will be in effect for the 1980-81 award period. The proposed changes are described below.

Summary of Proposed Changes

I. Changes relating to the adoption of a common student aid application form.

In an effort to simplify the student aid application process, the Office of Education plans to adopt, beginning with the 1980-81 award period, a common form on which students may apply for a Basic Grant and for aid under the three campus-based programs. The common form has been developed by staff members of the Bureau of Student Financial Assistance working closely with the Coalition for the Coordination of Student Financial Aid.

The draft form has been reviewed by financial aid administrators, representatives from State agencies, students, and Congressional staff. The form will include data elements necessary to compute the Basic Grant Eligibility Index and the expected family contribution under Uniform Methodology (UM). It will also include a minimal number of additional data elements considered essential for a financial aid officer to have in determining whether adjustments should be made in the UM expected family contribution in individual cases. Three of the changes in the Family Contribution Schedules for 1980-81 relate to the adoption of the common form.

1. *Replace the unusual expense offset with an unusual medical expense offset and eliminate Casualty and Theft Losses as a line item on the form.*

Section 411(a)(3)(B)(ii)(V) of the Higher Education Act of 1965 provides that one criterion which shall be used in determining Basic Grant eligibility will be: "Any unusual expenses of the student or his family, such as unusual medical expenses, and those which may arise from a catastrophe." To reflect this statutory provision, the current Family Contribution Schedules provide an unusual expense offset, equal to the amount by which the sum of unreimbursed medical and dental expenses and unreimbursed losses resulting from a catastrophe exceeds 20% of effective family income. In the 1979-80 application, lines 25 and 44 reflect medical and dental expenses (for dependent and independent applicants respectively). And, casualty and theft losses are reported on lines 28 and 45.

In the 1980-81 form we propose to delete the casualty and theft loss line item. We feel that these losses generally will still be reflected without the need for an offset and a separate line item on the application. Losses which affect investments and real estate will be reflected through lower amounts reported in those two line items. Losses affecting other family possessions which have been replaced through cash purchases will be reflected through a lower amount reported in the line item for cash, savings, and checking accounts. Additionally, if after an application has been submitted, the student or the student's parents suffer a loss of, or damage to, assets because of a natural disaster in an area declared a National Disaster Area by the President, asset amounts on the SER may be corrected to reflect the loss. Also, if an applicant qualified under any of the conditions for filing a Supplemental Form, asset amounts will be adjusted to reflect current value at the time of filing the application which accompanies the Supplemental Form. We feel that the number of applicants having casualty and theft losses which are not reflected through these other means is not of sufficient size to warrant a line item on the form. The line item for reporting medical and dental expenses—the other item included in computing the unusual expense offset—will remain on the form for 1980-81.

In the 1980-81 Family Contribution Schedules, we are proposing to replace the unusual expense offset by an unusual medical expense offset. For dependent applicants this offset will equal the amount by which the sum of unreimbursed medical and dental expenses exceeds 20% of the effective income of the parents. For independent applicants the offset will equal the amount by which the sum of unreimbursed medical and dental expenses exceeds 20% of the student's effective family income.

2. *Elimination of "custody" from the criteria for determining which parent's income should be reported for a student whose parents are divorced or separated.*

Currently § 190.33(c) of the Family Contribution Schedule regulations provides that in the case of a dependent student whose parents are separated or divorced, income information shall be provided by the parent who has or had custody of the student. If custody was not awarded, or if parents have or had equal custody, the income to be reported will be that of the parent with whom the applicant resided for the greater portion of the 12 month period preceding the date of the application. If neither of those criteria apply, the income to be reported will be that of the parent who is providing or has most recently provided the greater portion of the student's support.

In most instances, the question of which parent has custody is irrelevant for applicants over seventeen years of age—approximately 99% of the dependent applicant population. Thus, for 1980-81, as part of the effort to simplify the application and the instructions, we propose to eliminate this criterion. Section 190.33 of the Family Contribution Schedule regulations will be revised to provide that if the parents are divorced or separated, income information shall be provided by the parent with whom the applicant resided for the greater portion of the 12 month period preceding the date of application. If the student did not live with either parent during that period or lived with each for an equal amount of time, the income to be reported will be that of the parent who has provided the greater portion of the student's support during that period. If neither of the above criteria apply, the income to be reported will be that of the parent who provided the greater portion of the student's support during the period beginning January 1, 1979 and ending twelve months prior to the date of the application.

3. *Elimination of the third year in the criteria for determining "independent student" status.*

Currently, the three criteria of the independent student definition must be met for the base year and both of the calendar years in which the award period occurs.

For 1979-80, the questions are as follows:

Section C.—*Applicant's Status*

	1978?		1979?		1980?	
	Yes	No	Yes	No	Yes	No
Did or will applicant live with parents for more than six weeks during—						
Did or will parents claim applicant as a U.S. income tax exemption for—						
Did or will applicant receive assistance worth more than $750 from parents during—						

The third calendar year of the current definition requires a projection from all applicants concerning residence with parents until at least mid February in the second calendar year of the award period. The third year income tax criterion will be a projection for all applicants. And, the answer to the question about parental financial support in the third calendar year could also be a projection throughout the remainder of the period when an application may be filed. Thus, in the vast majority of cases the answers to the questions pertaining to the third year of the definition will be projections.

Many applicants simply do not know at the time they file the application what their status will be in the third year. If an applicant has answered "NO" to all three questions for the first two years, it is highly unlikely that he or she will project a "YES" for the third year. Thus, it is only in rare cases that a student's status would be determined solely on the basis of what he or she answers for the third year. In any event, since the applicant's projection for the third year is usually a guess based on his or her status for the first two years, the question for the third year is generally not a valid means for determining the applicant's dependency status. Thus, we are proposing to delete the third year from the definition of an "independent student" in § 190.42 of the Family Contribution Schedules for 1980-81. In the common student aid application form for 1980-81, the questions on the applicant's status will cite only the years 1979 and 1980. When the Family Contribution Schedules are published as final regulations, identical changes in the independent student definition will be made for the regulations governing each of the three campus-based programs (National Direct Student Loan, College Work-Study, and Supplemental Educational Opportunity Grants).

II Changes in income treatment

1. *Adjustment of family size offsets*

The family-size offsets included in the family contribution schedules are intended to provide for basic family expenses which must be met before any contribution toward a student's educational costs can be expected. In order to establish a standard for determining the amount of these expenses, the Basic Grant program adopted, during its initial year of operation, the "Weighted Average Thresholds at Low Income Level" developed by the Social Security Administration and published by the Bureau of the Census. These expenses are based on the food costs of families of given sizes, and make certain assumptions about additional expenses of shelter and other family needs. These base-line data have been updated annually to accommodate the increases in the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor.

In applying for Basic Grants for the 1980-81 award period, applicants report actual financial data for the calendar year 1979, i.e., the "base year," for the 1980-81 award period. To derive the family size offsets for the 1979 base year, those used for 1978 will be adjusted to correspond to the actual increase in the Consumer Price Index published by the Bureau of labor Statistics at the end of the year. Since this notice of proposed rulemaking is published well before the conclusion of the year, the amounts in the 1980-81 family contribution schedule are estimated by increasing those used for 1979-80 by 8.2%. When the final regulation is published, these estimated amounts will be replaced by family size offsets based on the actual Consumer Price Index statistics for 1979 as published by the Department of Labor.

2. *Include income and assets for dependent student and spouse.*

Currently the income of a dependent student and the dependent student's spouse is not assessed in computing a student's Basic Grant eligibility index. Section 190.37 of the Family Contribution Schedule regulations provides that the dependent applicant's assets will be assessed at 33%. However, no assessment is made of the assets of the dependent student's spouse. The program has received considerable criticism for ignoring these potential resources.

A recent analysis of a representative sample of 1977 dependent student income reported by students and parents filing the Financial Aid Form (FAF) of the College Scholarship Service showed that:

- 85.4% of dependent students have annual earnings less than $1,000
- 92.3% of dependent students have annual earnings less than $3,000
- 98.5% of dependent students have annual earnings less than $6,000
- 99.95% of dependent students have annual earnings less than $15,000.

These data support the conclusion that, in general, dependent student income would not be a significant factor for most students in determining their Basic Grant eligibility index. However, they also support the criticism that in some instances the Basic Grant Program is ignoring substantial resources for dependent students.

In the 1980-81 Family Contribution Schedules we propose to revise § 190.37 to include the assets of the dependent student's spouse as well as those of the dependent student. The assessment rate for the assets of single dependent students will remain at 33%. For married dependent students, an asset reserve of $25,000 will be established, and any assets in excess of the reserve will be assessed at a rate of 5%. This procedure will parallel the asset treatment which has been adopted, beginning with the 1979-80 award period, for married independent students, except that there will not be an additional asset reserve for farm and business assets.

Additionally, we propose to incorporate into the formula the base year taxable and nontaxable income of the dependent student and his or her spouse. In assessing the income of the dependent student and spouse, offsets will be established in the same way that they are established for independent students and dependent student's parents. However, the dependent student's offset will be reduced to account for the parental share of maintenance expenses for that student which is already included in the family size offset for that dependent student's parents. This adjustment will avoid double counting of allowances for maintenance expenses in the formula.

In many instances a married dependent student will be considered dependent because he or she has answered "Yes" for the base year to one of the three questions which determine an applicant's status. That is, the applicant may have lived with his or her parents for six weeks in the base year, and thus for Basic Grant purposes be categorized as a dependent student. But since that period of residence with the parents, the applicant has married and established a separate household. In this situation the dependent student's spouse would not be included in the family size of the dependent student's parents and thus would not be included in the regular family size offset. Since the income of the dependent student's spouse is to be assessed, there should, of course, be an offset against that income. Thus, an offset for the married dependent student will be established which will be derived by adding to the single dependent's offset an amount equivalent to that allowed for each family member in the household of the dependent student's parents.

The dependent student offset will be subtracted from the income of the dependent student and spouse. For single dependent students, 75% of the remainder will be included in computing the student's eligibility index. For married dependent students, 25% of the remainder will be included. These assessment rates are identical to those which we are proposing for assessing the income of single independent students and independents with a spouse, respectively. This is consistent with our philosophy that the student, as direct beneficiary of his or her postsecondary education, should be required to contribute a larger portion of his or her resources for that education than would be expected from the parents of the student.

For 1980-81 we are proposing that the amount of the offset against income for the single dependent student be set at $2,550, which is equal to the offset for the single independent student ($3,750) minus an average share of parental contribution to the dependent student's maintenance expenses ($1,200). For the married dependent student the offset will be $3,750.

As noted earlier, the amounts of the offsets included in this notice of proposed rulemaking will be replaced by family size offsets based on actual Consumer Price Index statistics when the 1980-81 Family Contribution Schedules are published as final regulations.

3. *Reduction in the rates of assessing the discretionary income of independent students with dependents.*

In the 1979-80 Family Contribution Schedules several changes were made which were intended to provide more equity for independent students. One of these changes was a revision in the method of treating assets of independent students with dependents in calculating Basic Grant eligibility. Prior to 1979-80 assets of all independent students were assessed at 33% with no asset reserve. The 1979-80 schedules revised the asset treatment for independent students with dependents to make it parallel to the asset treatment for dependent student's parents. A personal asset reserve of $25,000 was established—with a reserve of up to $50,000 for applicants with farm and business assets—and an assessment rate of 5% is applied to assets above the level of the reserve. This change was made in recognition of the fact that independent students with dependents have family responsibilities similar to those of the parents of dependent students.

For 1980-81 we are proposing to apply the principle of the similarity between dependent students' parents and independent students with dependents to the assessment of discretionary income. Currently, the single independent student's effective family income is assessed at 75%. The income of a married independent student with no dependents other than a spouse is assessed at 50%. And the income of an independent student who has dependents other than a spouse is assessed at 40%. For 1980-81 we are proposing to reduce the assessment rate of discretionary income for independent students with no dependents other than a spouse from 50% to 25%, and the rate for independent students with dependents other than a spouse from 40% also to 25%. These two reductions in the assessment rates of discretionary income diminish the gap between the treatment of the discretionary income of independent students with dependents and the treatment of the discretionary income of dependent students' parents, which is assessed at a rate of 10½%.

III. Revision in the conditions under which a student may file a Supplemental Form

1. *Delete "loss of unemployment benefits" and add "loss of any nontaxable benefits."*

The Supplemental Form is used to report drastic changes in family financial circumstances by using estimated data for the first year of the award period when base year data would be an inappropriate measurement for determining Basic Grant eligibility.

An applicant may file a Supplemental Form only if he or she meets one of several specific conditions set forth in § 190.39 of the Family Contribution Schedule for dependent students or § 190.48 of the Family Contribution Schedule for independent students. Several of the conditions under which a Supplemental Form may be filed concern the loss of employment. A dependent student may file a Supplemental Form if a parent whose base year income is reported on the original application has been unemployed for ten weeks or more during the calendar year following the base year or has been unable to pursue normal income producing activities for a similar period of time because of a disability or loss or damage to income producing property caused by a natural disaster. An independent student may file a Supplemental Form if the spouse whose base year income is reported has been unemployed for ten weeks or more during the year following the base year.

Additionally, an independent applicant also qualifies to file a Supplemental Form if he or she was employed full-time for at least thirty weeks during the base year and is no longer employed full-time.

Currently, these criteria in the Family Contribution Schedules allowing an applicant to have his or her eligibility index recomputed because of a loss of earnings are not paralleled by similar criteria for reporting a loss of nontaxable benefits. At present the loss of unemployment benefits is the only instance in which the loss of nontaxable income qualifies as a condition for filing a Supplemental Form. The Family Contribution Schedules provide that the form may be filed if someone whose base year income was reported has had his or her unemployment benefits expire during the base year or the calendar year after the base year.

For 1980-81 we are proposing to revise the conditions for filing a Supplemental Form so that the loss of earned income and the loss of nontaxable benefits will be treated similarly in Basic Grant eligibility index computations. The current condition for reporting the expiration of unemployment benefits will be replaced by a broader condition which will permit the filing of a Supplemental Form if the parent of a dependent student or an independent student whose base year income is reported has had any type of nontaxable benefits expire during the base year or the calendar year following the base year. (The one exception to this condition will be the loss of veteran's benefits, since these are already reported on the original application as a projected figure for the award period.)

(Catalog of Federal Domestic Assistance No. 13.539. Basic Educational Opportunity Grant Program.)

Dated: July 13, 1979.

Mary F. Berry,

Acting U.S. Commissioner of Education.

Dated: July 16, 1979.

Joseph A. Califano, Jr.,

Secretary of Health, Education, and Welfare.

PART 190—BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Subparts C and D of Part 190 of Title 45 of the Code of Federal Regulations are proposed to be revised to read as follows:

Subpart C—Expected Family Contribution for Dependent Students

Sec.
190.31 Indicators of financial strength.
190.32 Special definitions.
190.33 Effective family income.
190.33a Effective student income.
190.34 Computation of the expected family contribution for a dependent student from the effective family income.
190.34a Computation of the expected family contribution for a dependent student from effective student income.
190.35 Computation of the expected contribution from parental assets.
190.36 Computation of the expected contribution from parental income and assets, adjusted for number of family members enrolled in programs of postsecondary education.
190.37 Computation of the expected contribution from student's (and spouse's) assets.
190.38 Computation of the total expected family contribution.
190.39 Extraordinary circumstances affecting the expected family contribution determination for a dependent student.

Subpart D—Expected Family Contribution for Independent Students

190.41 Indicators of financial strength.
190.42 Special definitions.
190.43 Effective family income.
190.44 Computation of the expected family contribution for an independent student from effective family income.
190.45 Computation of the expected contribution from the assets of the independent student (and spouse).
190.46 Computation of the total expected contribution from the student's (and spouse's) income and assets, adjusted for number of family members enrolled in programs of postsecondary education.
190.47 [Reserved]
190.48 Extraordinary circumstances affecting the expected family contribution determination for an independent student.

Authority: Pursuant to the authority contained in title IV of the Higher Education Act of 1965, as amended (Pub. L. 89-329), the Commissioner proposes to amend the regulations in 45 CFR Part 190.

Subpart C—Expected Family Contribution for Dependent Students

§ 190.31 Indicators of financial strength.

"Expected family contribution" for a dependent student means the amount that the student and his or her family may reasonably be expected to contribute toward the cost of his or her education for an award period. Each of the following elements of financial strength will be considered in determining the family contribution for a dependent student:

(a) The effective incomes of the student and the student's spouse, and the student's parent(s).

(b) The number of family members in the household of the student's parent(s).

(c) The number of family members in the household of the student's parent(s) who are enrolled in, on at least a half-time basis, a program of postsecondary education.

(d) The assets of (i) the student and his or her spouse, and (ii) the student's parent(s).

(e) The marital status of the student.

(f) The unusual expenses of the student's parent(s). These unusual expenses are limited to medical and dental expenses.

(g) The additional expenses incurred when both parents of the student are employed or when a family is headed by a single parent who is employed.

(h) The tuition paid by the student's parents for dependent children, other than the student, who were enrolled in an elementary or secondary school.

(20 U.S.C. 1070a(a)[illegible](B)(ii))

§ 190.32 Special definitions.

For purposes of this subpart:

"Assets" means cash on hand including amounts in checking and savings accounts, trusts, stocks, bonds, other securities, real estate, home (if owned), income producing property, business equipment, and business inventory.

However, for Native American students, the following shall not be considered as an asset of the student or his or her family in determining the expected family contribution:

(a) Any property received under the Distribution of Judgment Funds Act (25 U.S.C. 1401, et seq.) or the Alaska Native Claims Settlement Act (43 U.S.C. 1601, et seq.),

(b) Any property that may not be sold or encumbered without the consent of the Secretary of Interior, or

(c) Any other property held in trust for the student or his family by the United States Government.

"Business assets" means property that is used in the operation of a trade or business, including real estate, inventories, buildings, machinery and other equipment, patents, franchise rights, and copyrights.

"Dependent of the student's parents" means the student and any of the following persons for whom the parents provide or will provide more than one-half support during 1980:

(a) Other children of the student's parents, or

(b) Persons living with the parents at the time that the Basic Grant application is filed.

"Dependent student" means any student who does not qualify as an independent student as defined in § 190.42(a).

"Dependent student offset" means an offset from the effective income of a dependent student and his or her spouse to meet the basic needs of the student and spouse. This offset is derived by subtracting from the family size offset for a single independent student the "average" parental share for maintenance expenses for the student which is already a part of the parents' family size offset. The "average" parental share is the average increase in the family size offset for each family member above one in the family size. For 1980–81 this amount is $1,200.

"Effective family income" and "effective income of the student and spouse" are described in § 190.33 and 190.33a respectively.

(20 U.S.C. 1070a(a)(3)(B)(vii))

"Employment expense offset" means an allowance to meet expenses relating to employment when both parents are employed or when one parent qualifies as a surviving spouse or as head of a household under section 2 of the Internal Revenue Code.

(20 U.S.C. 1070a(a)(3)(B)(ii)(V))

"Family size offset" means an allowance to meet the subsistence expenses of a family, including food, shelter, clothing, and other basic needs. This offset is derived from the "Weighted Average Thresholds at the Low Income Level," as developed by the Social Security Administration.

"Farm assets" means any property owned and used in the operation of a farm for profit, including real estate, livestock, livestock products, crops, farm machinery, and other equipment inventories. A farm is not considered to be operated for profit if crops or livestock are raised mainly for the use of the family, even if some income is derived from incidental sales.

"Federal income tax" means (a) the tax on income paid to the U.S. Government under chapter 2 of the Internal Revenue Code, or (b) the tax on income paid to the Governments of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands under the laws applicable to those jurisdictions, or (c) the comparable taxes paid to the central government of a foreign country.

(20 U.S.C. 1070a(a)(3)(b)(vii))

"Medical expenses" means unreimbursed medical and dental expenses, except premiums for medical insurance, that may be deducted under section 213 of the Internal Revenue Code paid in 1979 by the parents of the student unless the student files an application with the Commissioner under the provisions of § 190.38. In that case the expenses reported are those paid in 1980.

"Net assets" means the current market value at the time of application of the assets included in the definition of "assets" minus the outstanding liabilities (indebtedness) against those assets.

"Parent" means the student's mother or father. An adoptive parent is considered the student's mother or father.

(20 U.S.C. 1070a(a)(3)(B) unless otherwise noted)

§ 190.33 Effective family income.

(a) Effective family income is the annual adjusted family income minus the Federal income tax paid or payable for the year that adjusted gross income is used in the calculation of the student's Basic Grant.

(b) "Annual adjusted family income" means, except as provided in paragraphs (c), (d), (e), and (f) of this section, and § 190.39—

(1) The sum received in 1979 by the student's parents from—

(i) Adjusted gross income, as defined in section 62 of the Internal Revenue Code, regardless of whether the parent filed an income tax return;

(ii) Investment income upon which no Federal income tax need be paid. An example of such income is the interest on municipal bonds; and

(iii) Other income upon which no Federal income tax need be paid. Examples of such income include child support payments, income from income maintenance programs such as welfare benefits, and Social Security benefits;

(2) Any Social Security benefits paid to the student in 1979; and

(3) One-half of any veteran's benefits to be paid to the student under chapters 34 and 35 of the United States Code for the 1980–81 award period.

(c) For a Native American student, the annual adjusted family income does not include the income received by the student's parents under the Distribution of Judgment Funds Act (25 U.S.C. 1401, et seq.) or the Alaska Native Claims Settlement Act (43 U.S.C. 1601, et seq.).

(d) For a student whose parents are divorced or seperated, the following procedures apply for reporting a parent's income to determine the annual adjusted family income—

(1) Report only the income, as described in paragraph (b) of this section, of the parent with whom the student resided for the greater portion of the 12 month period preceding the date of the application.

(2) If the preceding criterion does not apply, report only the income of the parent who provided the greater portion of the student's support for the 12 month period preceding the date of application.

(3) If neither of the preceding criteria apply, report only the income of the parent who provided the greater support for the period commencing January 1, 1979 and ending 12 months prior to the date of application.

(e) The following rule applies if either a parent whose income is taken into account paragraph (d), or a parent who is a widow or widower and whose income is taken into account under paragraph (b) has remarried. The income of that parent's spouse shall be included in determining the student's annual adjusted family income if, in either 1979 or 1980, the student—

(1) Has received or will receive financial assistance of more than $750 in either or those years from that spouse, or

(2) Has lived or will live for more than six weeks in either of those years in the home of the parent and that spouse.

(f) The annual adjusted family income does not include any student financial assistance except those veteran's benefits cited in subparagraph (b)(3).

(20 U.S.C. 1070a(a)(3)(B))

§ 190.33a Effective student income.

(a) Effective student income is the annual adjusted income of the student (and spouse for a married student) minus the Federal income tax paid or payable for the year that adjusted gross income is used in the calculation of the student's Basic Grant.

(b) "Annual adjusted income of the student and spouse" means, except as provided in paragraphs (c), (d) and (e) of this section, and § 190.39—

(1) The sum received in 1979 by the student and spouse from—

(i) Adjusted gross income, as defined in section 62 of the Internal Revenue Code, regardless of whether the student or spouse filed an income tax return.

(ii) Investment income upon which no income tax need be paid. An example of such income is the interest on municipal bonds; and

(iii) With the exception of Social Security benefits for the student, other income upon which no Federal income tax need be paid. Example of such income include child support payment, and income from income maintenance programs such as welfare benefits.

(c) For a Native American student, the annual adjusted income of the student and spouse does not include the income received by the student or spouse under the Distribution of Judgment Funds Act (25 U.S.C. 1401, et seq.) or the Alaska

Native Claims Settlement Act (43 U.S.C. 1601, et seq.).

(d) In the case of a student who is separated, the spouse's income shall not be considered in determining the "annual adjusted income of the student and spouse".

(e) The annual adjusted income of the student and spouse does not include any student financial assistance.

(20 U.S.C. 1070a(a)(3)(B))

§ 190.34 Computation of the expected family contribution for a dependent student from the effective family income.

The expected family contribution for a dependent student from effective family income is calculated as follows:

(a) Determine the parents' discretionary income by deducting the following offsets from the effective family income:

(1) A family size offset in the amount specified in the following table.

Family size offsets

Family members	Amount
2	$4,800
3	5,900
4	7,500
5	8,800
6	10,000
7	11,000
8	12,250
9	13,400
10	14,400

Plus $1,000 for each additional family member over 10.

In determining the family size, the following rules apply—

(i) If the parents are not divorced or separated, family members include the student's parents, and the dependents of the student's parents.

(ii) If the parents are divorced or separated and not remarried, family members include the parent whose income is included in computing the effective family income and that parent's dependents.

(iii) If the parents are divorced and the parent whose income is included in computing the effective family income has remarried, or if the parent was a widow or widower who has remarried, family members also include, in addition to those people referenced in subparagraph (a)(1)(ii), the new spouse and any dependents of the new spouse if that spouse's income is included in determining the effective family income.

(2) An unusual expense offset equal to the amount by which the sum of unreimbursed medical and dental expenses exceeds 20% of effective income of the parents. The expenses that may be reported are those expenses paid by the student's parents during 1979, unless the student files an application with the Commissioner under the provisions of § 190.38. In that case, the expenses reported will be those paid in 1980. The expenses of both parents are included only if the incomes of both are subject to inclusion in determining the effective family income. Similarly, a step-parent's expenses are included only if his or her income was subject to inclusion.

(3) An employment expense offset in the amount specified as follows—

(i) If both parents were employed in the year for which their income is reported and both have their incomes reported in determining the expected family contribution, use the lesser of $1500 or 50% of the earned income (income earned by work) of the parent with the lesser earned income.

(ii) If a parent qualifies as a head of household as defined in section 2 of the Internal Revenue Code, use the lesser of $1500 or 50% of his or her earned income.

The earned income figure to be used in all cases is that figure for 1979 unless the student files an application with the Commissioner under the provisions of § 190.38. In that case, the figure to be used is the one for 1980.

(4) An educational expense offset equal to the tuition paid by the student's parents for dependent children, other than the student, enrolled in elementary or secondary school. The tuition which may be reported is the tuition paid in 1979 unless the student files an application with the Commissioner under the provisions of § 190.38. In that case, the tuition reported will be that paid in 1980.

(b) If the parents' discretionary income is a positive amount, multiply it by 10.5% to determine the expected contribution from the effective family income. If the parents' discretionary income is negative, there is no expected contribution from the effective family income.

(20 U.S.C. 1070a(a)(3)(B))

§ 190.34a Computation of the expected family contribution for a dependent student from effective student income.

(a) Determine the student's discretionary income by deducting from effective student income the relevant dependent student offset.

Dependent Student Offset

Single student	2500
Married student	3950

(b) If the student's discretionary income is a positive amount, multiply it by one of the following figures to determine the expected contribution from effective student income:

(1) 75% for the single dependent student, or

(2) 25% for the married dependent student.

If the student's discretionary income is negative, there is no expected contribution from effective student income.

(20 U.S.C. 1070a(a)(3)(B))

§ 190.35 Computation of the expected contribution from parental assets.

Except as provided for in paragraph (d), the expected contribution from parental assets is determined in the following manner:

(a) If the net assets do not include farm or business assets, deduct an asset reserve of $25,000 from the net assets.

(b) If the net assets include farm or business assets as defined in § 190.32, deduct an asset reserve from the net assets as follows—

(1) If farm or business assets are less than farm or business debts, deduct an asset reserve of $25,000 from the net value of all assets.

(2) If farm or business assets exceed farm or business debts, and the net value of non-farm and non-business assets is $25,000 *or more*, deduct an asset reserve of,

(i) $25,000 from non-farm and non-business assets, and

(ii) $25,000 from farm and business assets.

(3) If farm or business assets exceed farm or business debts and the net value of non-farm and non-business assets is *less than $25,000*, deduct an asset reserve of $50,000 from the net value of all assets.

(4) If the result obtained in (1), (2)(ii), or (3) is a negative amount, it shall be changed to zero.

(c) The expected contribution from parental assets equals five percent of the remainder obtained in subparagraph (a) or (b).

(d) If the calculation of discretionary income required by § 190.34(a) produces a negative number, the expected contribution from parents' assets, calculated under paragraph (c) shall be reduced by the amount of that negative discretionary income.

(e)(1) If the student's parents are separated, or divorced and not remarried, only the assets of the parent whose income is included in computing annual adjusted family income shall be considered.

(2) However, if that parent has remarried, or if the parent was a widow or widower who has remarried, and the parent's spouse's income is also included under § 190.33, the assets of that parent's spouse shall also be included.

(20 U.S.C. 1070a(a)(3)(B))

§ 190.36 Computation of the expected contribution from parental income and assets, adjusted for number of family members enrolled in programs of postsecondary education.

(a) For each grant, the amount expected from parental income as determined in § 190.34(b) is added to the amount expected from parental assets as determined in § 190.35.

(b)(1) For each grant, the combined expectation determined in paragraph (a) is adjusted in the following manner for the number of family members who will be attending, on at least a half time basis, a program of postsecondary education during the award period for which Basic Grant assistance is requested:

Number of family members enrolled in programs of postsecondary education	Expected contribution per student from combined contribution
1	100% of the contribution determined in paragraph (a).
2	70% of the contribution determined in paragraph (a).
3	50% of the contribution determined in paragraph (a).
4 or more	40% of the contribution determined in paragraph (a).

(2) Family members are those persons referenced in § 190.34(a)(1).

(20 U.S.C. 1070a(a)(3)(B))

§ 190.37 Computation of the expected contribution from the assets of the dependent student (and spouse).

(a) The expected contribution from the net assets of a single dependent student equals 33% of the amount of those assets.

(b) The expected contribution from the net assets of the married dependent student and spouse is determined in the following manner.

(1) Deduct an asset reserve of $25,000 from the net assets. If the result is negative, it shall be changed to zero.

(2) The expected contribution from assets equals 5% of the remainder obtained in subparagraph (1).

(20 U.S.C. 1070a(a)(3)(B))

§ 190.38 Computation of the total expected family contribution.

For each grant the total expected family contribution is the sum of—

(a) The expected contribution from the parents' income and assets as determined in § 190.36.

(b) The expected contribution from effective student income as determined in § 190.34a, and

(c) The expected contribution from the student's (and spouse's) assets as determined in § 190.37.

(20 U.S.C. 1070a(a)(3)(B))

§ 190.39 Extraordinary circumstances affecting the expected family contribution determination for a dependent student.

(a) An applicant may submit an application to the Commissioner for determination of his or her expected family contribution using income data from 1980 instead of 1979 if—

(1) A parent whose income was or would have been included in the computation of the expected family contribution has died in 1979 or 1980.

(2) A parent whose income was or would have been included in the computation of the expected family contribution has lost his or her job for at least 10 weeks during 1980.

(3) A parent whose income was or would have been included in the computation of the expected family contribution has been unable to pursue normal income producing activities for at least 10 weeks during 1980 because of (i) disability, or (ii) loss or damage to income producing property as a result of a natural disaster,

(4) The parents of the applicant have become separated or divorced after the applicant submitted his or her application, or

(5) A parent whose income was or would have been included in the computation has had a complete loss of a particular type of nontaxable benefits in 1979 or 1980. Types of nontaxable income would include unemployment benefits, Social Security benefits, welfare, etc.

(b) An application submitted under paragraph (a) shall include the effective family income and the effective income of the student and spouse already received for 1980 and an estimate of those effective incomes to be received for the remainder of that year.

(c) An applicant may submit a revised application to reflect changes in asset amounts reported on the previously submitted application if the applicant or the applicant's family has suffered a loss of or damage to assets resulting from a natural disaster in an area that has been declared a national disaster area by the President of the United States.

(20 U.S.C. 1070a(a)(3)(B)(i)(V))

Subpart D—Expected Family Contribution for Independent Students

§ 190.41 Indicators of financial strength.

"Expected Family Contribution" for an independent student means the amount that the student his or her spouse may reasonably be expected to contribute toward the cost of his or her education for an award period. Each of the following elements of financial strength will be considered in determining the family contribution for independent students:

(a) The effective family income of the independent student and spouse.

(b) The number of family members in the household of the student and spouse.

(c) The number of family members in the household of the student and spouse who are enrolled in, on at least a half-time basis, a program of postsecondary education.

(d) The assets of the student and spouse.

(e) The unusual expenses of the student and spouse. These unusual expenses are limited to medical and dental expenses.

(f) The additional expenses incurred when both the student and spouse are employed or when the employed student qualifies as a surviving spouse or as head of a household under section 2 of the Internal Revenue Code.

(g) The tuition paid by the student or spouse for dependent children enrolled in an elementary or secondary school.

(20 U.S.C. 1070a)a)(3)(C)).

§ 190.42 Special definitions.

The definitions of "assets", "business assets", "farm assets", "family size offset", "Federal income tax", "medical expenses", "net assets", and "parent" are set forth in § 190.32.

"Department" means the student's spouse and any of the following persons for whom the student or spouse provides or will provide more than one-half support during 1980: (a) Children of the student or spouse; or (b) Persons living with the student and spouse at the time that the Basic Grant application is filed.

"Effective family income" is described in § 190.43.

"Employment expense offset" means an allowance to meet expenses relating to employment when both the independent student and his or her spouse are employed or when the independent student qualifies as a surviving spouse or as head of a household under section 2 of the Internal Revenue Code.

"Independent student" means:

(a) A student who for 1979 or 1980—

(1) Has not been claimed and will not be claimed as an exemption for Federal income tax purposes by his or her parent(s) for either of these years;

(2) Has not received and will not receive financial assistance of more than $750 from his or her parent(s) in either of these years; and

(3) Has not lived and will not live for more than six weeks in the home of his or her parent(s) in either of these years; or

(b) A student whose last surviving parent for who financial information would have been reported on the application under the provisions of Subpart C has died in 1979 or 1980.

(20 U.S.C. 1070a(a)(3)(B)(iii))

§ 190.43 Effective family income.

(a) Effective family income is the annual adjusted family income minus the Federal income tax paid or payable for the year that adjusted gross income is used in the calculation of the student's Basic Grant.

(b) "Annual adjusted family income" means, except as provided in paragraphs (c), (d), and (e) of this section and § 190.48—

(1) The income received in 1979 by the student and spouse from—

(i) Adjusted gross income, as defined in section 62 of the Internal Revenue Code, regardless of whether the student or spouse filed an income tax return;

(ii) Investment income upon which no Federal income tax need be paid. An example of such income is the interest on municipal bonds; and

(iii) Other income upon which no Federal income tax need be paid. Examples of such income include child support payments, income from income maintenance programs such as welfare benefits and Social Security benefits.

(2) One-half of any veteran's benefits to be paid to a student under Chapters 34 and 35 of the United States Code for the 1980–81 award period.

(c) For a Native American student, the annual adjusted family income does not include the income received by the student or spouse under the Distribution of Judgment Funds Act (25 U.S.C. 1401, et seq.) or the Alaska Native Claims Settlement Act (43 U.S.C. 1601, et seq.)

(d) In the case of a student who is separated, the spouse's income shall not be considered in determining the annual adjusted family income.

(e) The annual adjusted family income does not include any student financial assistance except those veteran's benefits cited in subparagraph (b)(2).

(20 U.S.C. 1070a(a)(3)(B) and (C))

§ 190.44 Computation of the expected family contribution for an independent student from effective family income.

The expected family contribution for the independent student from effective family income is calculated as follows:

(a) Determine discretionary income by deducting the following offsets from the effective family income.

(1) A family size offset in the amount specified in the following table.

Family size offsets

Family members	Amount
1	$3,750
2	4,800
3	5,900
4	7,000
5	8,400
6	10,000
7	11,000
8	12,200
9	13,400
10	14,400

Plus $1,000 for each additional family member over 10.

In determining the family size, the following rules apply—

(i) Family members normally include the student and spouse and their dependents.

(ii) However, if the student is divorced or separated, the spouse (ex-spouse) and his or her dependents are not counted in the family size.

(2) An unusual expense offset equal to the amount by which the sum of unreimbursed medical and dental expenses exceeds 20% of effective family income. The expenses that may be reported are those expenses paid by the student and spouse in 1979, unless the student files an application with the Commissioner under the provisions of § 190.48. In that case, the expenses reported will be those paid in 1980. The expenses of both the student and spouse are included only if the incomes of both are subject to inclusion in determining the effective family income.

(3) An employment expense offset in the amount specified as follows—

(i) If both the student and spouse were employed in the year for which their income is reported and both have their incomes reported in determining the expected family contribution, use the lesser of $1,500 or 50% of the earned income (income earned by work) of the person with the lesser earned income.

(ii) If a student qualifies as a head of household as defined in section 2 of the Internal Revenue Code, use the lesser of $1500 or 50% of his or her earned income.

The earned income figure to be used in all cases is that figure for 1979, unless the student files an application with the Commissioner under the provisions of § 190.48. In that case the figure to be used is the one for 1980.

(4) An educational expense offset equal to the tuition paid by the student and spouse for dependent children enrolled in elementary or secondary school. The tuition that may be reported is the tuition paid in 1979, unless the student files an application with the Commissioner under the provisions of § 190.48. In that case the tuition reported will be that paid in 1980.

(20 U.S.C. 1070a(a)(3)(B))

(b) If the discretionary income is a positive amount, multiply it by one of the following figures to determine the expected family contribution from the effective family income of the student and spouse:

(1) 75% for the single independent student with no dependents; or

(2) 25% for the independent student with one or more dependents (including a spouse).

If the discretionary income is negative, there is no expected family contribution from effective family income.

(20 U.S.C. 1070a(a)(3)(C))

§ 190.45 Computation of the expected contribution from the assets of the independent student (and spouse).

(a) Except as provided in paragraph (c), the expected contribution from the net assets of the single independent student with no dependents equals 33% of the amount of those assets.

(b) For an independent student with dependents, except as provided in paragraph (c), the expected contribution from the assets of the student and spouse is determined in the following manner:

(1) If the net assets do not include farm or business assets, deduct an asset reserve of $25,000 from the net assets.

(2) If the net assets include farm or business assets as defined in § 190.42, deduct an asset reserve from the net assets as follows—

(i) If farm or business assets are less than farm or business debts, deduct an asset reserve of $25,000 from the net value of all assets.

(ii) If farm or business assets exceed farm or business debts, and the net value of non-farm and non-business assets is *$25,000 or more*, deduct an asset reserve of,

(A) $25,000 from non-farm and non-business assets, and

(B) $25,000 from farm and business assets.

(iii) If farm or business assets exceed farm or business debts and the net value of non-farm and non-business assets is *less than $25,000*, deduct as asset reserve of $50,000 from the net value of all assets.

(iv) If the result obtained in (2)(i), (2)(ii)(B), or 2(iii) is a negative amount, it shall be changed to zero.

(3) The expected contribution from assets equals 5% of the remainder obtained in subparagraph (1) or (2).

(c) If the calculation of discretionary income required by § 190.44(a) produces a negative number, the expected contribution from the student's (and spouse's) assets calculated under paragraph (b)(3) shall be reduced by the amount of that negative discretionary income.

(20 U.S.C. 1070a (a)(3) (B) and (C))

§ 190.46 Computation of the total expected contribution from the student's (and spouse's) income and assets, adjusted for number of family members enrolled in programs of postsecondary education.

(a) For each grant, the amount expected from family income as determined in § 190.44 is added to the amount expected from assets as determined in § 190.45.

(b) For each grant, the combined expectation determined in paragraph (a) is adjusted in the following manner for the number of family members who will be attending, on at least a half-time basis, a program of postsecondary education during the award period for which Basic Grant assistance is requested.

Number of family members enrolled in institutions of postsecondary education	Expected contribution per student from combined contribution
1	100% of the contribution determined in paragraph (a).
2	70% of the contribution determined in paragraph (a).
3	50% of the contribution determined in paragraph (a).
4 or more	40% of the contribution determined in paragraph (a).

Family members are those persons referenced in § 190.44(a)(1).

(20 U.S.C. 1070a(a)(3)(C))

§ 190.47 [Reserved]

§ 190.48 Extraordinary circumstances affecting the expected family contribution determination for an independent student.

(a) An applicant may submit an application to the Commissioner for determination of his or her expected family contribution using income data from 1980 instead of 1979 if—

(1) A spouse whose income was or would have been included in the computation of the expected family contribution has died in 1979 or 1980.

(2) A spouse whose income was or would have been included in the computation of the expected family contribution has lost his or her job for at least 10 weeks during 1980.

(3) An applicant or spouse whose income was or would have been included in the computation of the expected family contribution has been unable to pursue normal income-producing activities for at least 10 weeks during 1980 because of (i) disability or (ii) loss or damage to income-producing property as a result of natural disaster.

(4) The applicant has become separated or divorced after he or she submitted his or her application.

(5) The applicant was employed full-time in 1979 (at least 35 hours per week for minimum of 30 weeks during 1979) and is no longer employed full-time.

(6) An applicant or spouse whose income was or would have been included in the computation of the expected family contribution has had a complete loss of a particular type of nontaxable benefits in 1979 or 1980. Types of nontaxable income would include unemployment benefits, Social Security benefits, welfare, etc.

(7) An applicant's last surviving parent for whom financial information was reported on an earlier application for the award period has died.

(b) An application submitted under paragraph (a) shall include the effective family income already received for 1980 and an estimate of the effective family income to be received for the remainder of that year.

(c) An applicant may submit a revised application to reflect changes in asset amounts reported on the previously submitted application if the applicant or the applicant's spouse has suffered a loss of or damage to assets resulting from a natural disaster in an area that has been declared a national disaster area by the President of the United States.

(20 U.S.C. 1070a(a) (3) (B) (i) (V) and (a)(3)(C))

[FR Doc. 79-[illegible] Filed 7-[illegible]-79; 8:45 am]

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96TH CONGRESS
1ST SESSION

H. R. 4531

To amend title I of the Higher Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

JUNE 19, 1979

Mr. RATCHFORD (for himself, Mr. GAYDOS, Mr. HAWKINS, Mr. CORRADA, Mr. BAILEY, Mr. KILDEE, Mr. KOGOVSEK, Mr. MILLER of California, Mr. STACK, Ms. FERRARO, Mr. MITCHELL of Maryland, Mr. FLORIO, Mrs. CHISHOLM, Ms. OAKAR, and Mr. LAFALCE) introduced the following bill; which was referred to the Committee on Education and Labor

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A BILL

To amend title I of the Higher Education Act of 1965.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Lifelong Learning Act of 1979".

SEC. 2. Title I of the Higher Education Act of 1965 is amended to read as follows:

"TITLE I—LIFELONG LEARNING

"FINDINGS AND DECLARATION OF POLICY

"SEC. 101. (a) The Congress finds that—

"(1) the rapid pace of social, economic, and technological change has created pressing needs for education programs which focus on the retraining and continuing education of nontraditional students in all stages of life;

"(2) in a changing society, many disadvantaged adults are restricted from advancement or self-sufficiency by lack of education during youth, while still others are restricted because of barriers such as age, sex, race, handicap, national origin, or economic circumstance;

"(3) educational opportunities in the United States are limited primarily to Americans between the ages of 18 and 22, and institutions of higher education rarely have the capacity to meet the special needs of individuals who do not fall within the traditional student population;

"(4) with declining population growth rates, the future of education in the United States lies in its ability to respond to the challenges of lifelong learning, holding the promise of education and training which break the cycle of dependence for the disadvantaged;

"(5) the educational system of the United States holds vast potential for service in the realm of lifelong learning, but progress will be achieved only through an increased emphasis on planning, research, and coordination which more effectively utilizes existing resources at all levels of government; and

"(6) a successful national program of lifelong learning must marshal resources from a diverse range of higher education institutions, business, industry, labor, and other public and private organizations and institutions in order to meet the unique educational problems and needs of disadvantaged adults.

"(b) The Congress hereby declares it to be the policy of the United States that to make education and training opportunities available to all citizens throughout life, and to remove any barriers to such opportunities posed by previous education or training, age, sex, race, handicap, national origin, or economic circumstances.

"COMPREHENSIVE STATE PLANNING AND IMPLEMENTATION

"SEC. 102. (a)(1)(A) From 35 per centum of the sums appropriated pursuant to section 111, the Secretary shall allot to each State an amount which bears the same ratio to such sums as the adult population of such State bears to the population of all the States, except that for each fiscal year no State shall receive from such sums less than $50,000 for that year.

"(B) If the sums appropriated for any fiscal year are not sufficient to make payments of $50,000 to each State then the amount of each State's allotment shall be ratably reduced. If additional sums become available for any fiscal year for which allotments have been so reduced, then such allotments shall be increased on the same basis as they were reduced, except that if the sums so available exceed the amount required to allot $50,000 to each State such sums shall be allotted on the basis of population as required by paragraph (1).

"(2) If any State does not enter into an agreement satisfactory to the Secretary, or if in any fiscal year, any State does not have an agreement satisfactory to the Secretary pursuant to section 106, the Secretary shall reallot the funds that would have been allotted to such State to all other States with satisfactory agreements. Such reallotments to other States shall be made in proportion to their allotments pursuant to paragraph (1). Any amount reallotted to a State under this subsection during a year from funds appropriated shall be deemed part of its allotment under paragraph (1) for such year.

"(3)(A) In accordance with regulations prescribed by the Secretary, any State may file with the Secretary a request that a specified portion of its allotment under this title be added to the allotment of another State under this title for the purpose of meeting a portion of the Federal share of the cost of providing programs under this part.

"(B) If the Secretary finds that the programs with respect to which the request is made would meet the needs of the State making the request and that use of the specified portion of such State's allotment, as requested by it, would assist in carrying out the purposes of this part, such portion of such State's allotment shall be added to the allotment of the other State under this part to be used for the purpose referred to in subparagraph (A).

"(b)(1) From the amounts allotted under subsection (a)—

"(A) each State, in the case of a State receiving an allotment of less than $100,000, shall expend not less than 40 nor more than 50 per centum of such allotment, and

"(B) each State, in the case of a State receiving an allotment of more than $100,000, shall expend not less than 30 nor more than 40 per centum of such allotment,

to carry out a program of comprehensive statewide planning for lifelong learning to insure effective and efficient use of all available resources from whatever source for lifelong learning in the State to improve access to persons within the State to lifelong learning opportunities. Such planning shall give particular consideration to the needs of disadvantaged persons for lifelong learning opportunities.

"(2) The remainder of the funds allotted to a State which is not used pursuant to paragraph (1) may be expended by such State on activities to implement comprehensive statewide planning through grants to, or contracts with, appropriate institutions or agencies, or combinations thereof, within the State for the purposes of (A) improving access of persons (particularly of disadvantaged persons) in such State to lifelong learning opportunities and (B) encouraging better statewide coordination of various lifelong learning opportunities available and planned within the State, including those activities receiving Federal support under other statutes.

"(3) Not more than 5 per centum of the funds allotted under this section may be used for purposes of the administration of programs under section 103. Such funds may be appropriately deducted from the amounts available under either paragraph (1) or (2) of this section, or under both such paragraphs.

"GRANTS TO INSTITUTIONS OF HIGHER EDUCATION

"SEC. 103. (a) Thirty per centum of the sums appropriated pursuant to section 111 shall be available to States with agreements under section 106, for grants to institutions of higher education including, but not limited to, community colleges.

"(b) From the sums reserved under subsection (a), the Secretary shall allot to each State an amount which bears the same ratio to such sums as the adult population of such State bears to the adult population of all the States.

"(c) In order to receive funds under this section, States shall have carried out or be in the process of carrying out the requirements of section 102(b)(1) of this title and shall demonstrate the relationship between grants made under this section and the State planning required under section 102(b)(1).

"(d) Grants under this section shall be for the purpose of—

"(1) expanding and improving postsecondary continuing education programs and educational information and counseling services to help adults develop their potential, improve the well-being of their families and communities, and increase their ability to participate in civic, economic, and cultural activities;

"(2) making the instructional, research, and technical resources of postsecondary institutions available for diagnosing problems, identifying the knowledge, technical skills, and products appropriate to their solution, and implementing and evaluating programs to meet the needs of State and local governments, community groups, labor, and business;

"(3) developing strategies for obtaining long-term public and private support to assure that continuing education and community service programs will continue to be available to adults and community groups who would otherwise face programmatic and financial barriers to participation;

"(4) establishing policies and procedures for creating or expanding a labor education, training, and technical assistance program in one or more institutions of higher education, including the procedures to be used to develop cooperative arrangements for working with State level labor organizations—

"(A) to determine the specific nature and extent of the need for such services, and

"(B) to assess the interest and relative capacity of institutions of higher education in the State to apply their resources to meet the research, training, and developmental needs of workers and of officers and members of labor organizations.

"SPECIAL PURPOSE GRANTS

"SEC. 104. (a) From 30 per centum of the sums appropriated pursuant to section 111, the Secretary shall make grants and enter into contracts with public and private agencies, institutions and organizations, business, labor, and with individuals.

"(b) Grants and contracts under this section shall be for—

"(1) assessing, evaluating the need for, demonstrating, developing, and disseminating alternative methods to improve the access of disadvantaged persons to lifelong learning opportunities;

"(2) supporting activities and providing technical assistance, where necessary, designed to eliminate inequities with regard to age in the operation and policies of the educational system;

"(3) identifying and disseminating information about innovative education and training practices which offer promise of providing models for Federal, State, local, and institutional policies that would enhance the availability and effectiveness of lifelong learning opportunities; and

"(4) assisting schools for education and other institutions which provide for teacher education to retrain faculty, teachers, counselors and others so that they can become effective educators of the new clientele of students, especially disadvantaged adults who wish and need to learn throughout their lifetime.

"(c) No grant or contract may be awarded under this section to any applicant unless the Secretary has provided the State agency designated pursuant to paragraph (1) of section 106(a) an opportunity to comment on the relevance of the proposed grant or contract to the comprehensive statewide planning undertaken pursuant to section 102(b)(1) for at least thirty days. The Secretary shall make an explicit determination in writing prior to the award of any grant or contract regarding the extent to which the grant or contract relates to or is consistent with such comprehensive statewide planning.

"FEDERAL LIFELONG LEARNING ACTIVITIES

"SEC. 105. (a) From 5 per centum of the sums appropriated pursuant to section 111, the Secretary shall carry out a program of planning, research, coordination and information dissemination related to lifelong learning. In carrying out the provisions of this section, the Secretary shall—

"(1) foster improved coordination of Federal support for lifelong learning programs across Federal agencies;

"(2) establish a clearinghouse for information regarding lifelong learning, including the identification, collection, and dissemination to educators and the public of existing and new information regarding lifelong learning programs which are or may be carried out and supported by any department or agency of the Federal Government or the private sector;

"(3) review present and proposed methods of financing lifelong learning from public and private sources, including the administrative features of each, to determine the extent to which each promotes lifelong learning for the general public and the extent to which each serves to encourage participation in lifelong learning by those segments of the adult population not now enjoying equal opportunities for learning;

"(4) submit to the President and the Congress not later than October 1, 1982, an evaluation of the several hundred existing Federal programs supporting lifelong learning to determine the degree to which existing statutory authorities and funding levels encourage or discourage broad access of students and potential students to lifelong learning opportunities;

"(5) report to the President and the Congress on the progress of activities under this section by January 1 of each year through 1985; and

"(6) convene a Lifelong Learning Conference in 1983 for the purposes of assessing the progress of these activities, continuing the development of Federal lifelong learning policy and developing any necessary legislative recommendations for the improvement of this title, before the reauthorization of this title by the Congress in 1985.

"STATE AGREEMENTS

"SEC. 106. Any State desiring to receive its allotment of funds under sections 102(a) and 103(a) shall enter into an agreement with the Secretary containing such information and assurances as the Secretary may reasonably require to insure proper and efficient expenditure of Federal funds allocated to the State under this title. Such agreement shall—

"(1) designate as the State agency to receive, and to be responsible for expenditure of the State's allotment, the State agency responsible under State law for comprehensive statewide planning for postsecondary education, except that such State agency may delegate to another State agency or institution responsibility for specific implementation activities to be carried out in accordance with the comprehensive statewide planning conducted pursuant to section 102(b);

"(2) set forth policies and procedures to coordinate any activities undertaken pursuant to section 102(b) with State programs under the Comprehensive Employment and Training Act, the Older Americans Act, the Vocational Rehabilitation Act, the Vocational Education Act, the Career Education Incentive Act, and with all other State level activities assisted by the

Higher Education Act of 1965 (including Educational Information Centers) and other Federal laws intended to provide outreach, guidance, counseling, and educational and occupational information to persons within the State;

"(3) set forth the means to be used, consistent with State law, by the State agency designated pursuant to paragraph (1) to achieve active participation and involvement in the comprehensive statewide planning process of students and potential students (particularly disadvantaged persons) and existing and potential providers of lifelong learning opportunities and services within the State, including business, labor, educational institutions, State and local governments, community and voluntary agencies and other programs (including federally funded programs) serving adult learners, and including the use of advisory councils or other mechanisms appropriate to the State;

"(4) set forth the policies and procedures to be followed in granting Federal funds to institutions of higher education and combinations thereof, including the procedures to be used—

"(A) to determine the availability of and need for continuing education and community service programs;

"(B) to assess the commitment and the capacity of particular institutions to provide continuing education and community service programs;

"(C) to encourage the development of programs whereby institutions of higher education, in combination with other public and private agencies, institutions, and organizations, apply their resources to expand and improve continuing education and community service programs; and

"(D) to conduct, and make use of, periodic evaluations of the programs carried out under sections 102 and 103.

"(5) set forth policies and procedures designed to insure that Federal funds made available under this title will not supplant State or local funds, or funds of institutions and organizations within the State, but will supplement and, to the extent practicable, increase the amounts of such funds that would, in the absence of such Federal funds, be made available for programs of access to, or coordination of, lifelong learning programs.

"APPROVAL OF AGREEMENTS

"SEC. 107. The agreement between a State and the Secretary pursuant to section 106 shall be entered into by the Secretary if the Secretary finds that the information and assurances provided by the State meet the requirements of such section. Such an agreement shall remain in effect for the duration of the authorization of this title, and shall be subject to amendment from time to time as required by changes in either Federal or State law or regulations, or by changes in the information and assurances provided by the State pursuant to section 106.

"PAYMENTS

"SEC. 108. Payment under this title with respect to the allotment of funds under sections 102 and 103 shall be made to the State agency designated pursuant to section 106(1). Payments under this title from a State's allotment with respect to the cost of carrying out the activities set forth in sections 102 and 103 shall not exceed two-thirds of such costs for each fiscal year through 1985.

"NATIONAL ADVISORY COUNCIL ON LIFELONG LEARNING

"SEC. 109. (a)(1) The President shall, within ninety days of enactment of the Lifelong Learning Act of 1979, appoint a National Advisory Council on Lifelong Learning (hereafter referred to as the 'Advisory Council'), consisting of—

"(A) one representative each of the Departments of Health, Education, and Welfare, Agriculture, Commerce, Defense, Labor, Interior, State, and Housing and Urban Development, and the Community Service

Administration, and of such other Federal agencies having extension education responsibilities as the President may designate;

"(B) twelve persons, not in the employ of the Federal Government, who are knowledgeable in the fields of lifelong learning, State and local officials, or other persons having special knowledge, experience, or qualification with respect to community problems; and

"(C) five persons representative of the general public including students and potential students, particularly disadvantaged persons.

"(2) The President shall designate a Chairman from those persons not in the employ of the Federal Government. The Advisory Council shall meet at the call of the Chairman but not less often than twice a year.

"(b) The Advisory Council shall advise the Secretary in the preparation of general regulations and with respect to policy matters arising in the administration of this title, including policies and procedures governing the approval of State agreements under section 106 and policies to eliminate duplication and to effectuate the coordination of programs under this title and other programs offering lifelong learning activities and services.

"(c) The Advisory Council shall review the administration and effectiveness of all federally supported lifelong learning programs, including community service programs, make recommendations with respect thereto, and make annual reports, commencing on March 31, 1981, of its findings and recommendations (including recommendations for changes in the provisions of this title and other Federal laws relating to lifelong learning activities) to the Secretary and to the President. The President shall transmit each such report to the Congress together with his comments and recommendations.

"(d) In carrying out its functions pursuant to this section, the Advisory Council may utilize the services and facilities of any agency of the Federal Government, in accordance with agreements between the Secretary and the head of such agency, subject to section 448(b) of the General Education Provisions Act. The Advisory Council shall continue to exist until the programs authorized by this title are terminated.

"DEFINITIONS

"SEC. 110. (a) As used in this title—

"(1) the term 'adult' means any individual who is 18 years of age or older;

"(2) the term 'community service program' means activities and services provided by postsecondary institutions to national, State, and community groups and organizations to assist in the diagnosis of problems, the identification of knowledge, technical skills and products appropriate to their solution, and the development, delivery, and evaluation of programs for using these resources to address identified needs;

"(3) the term 'continuing education program' means postsecondary instruction and support services designed to meet the educational needs and interests of adults, including the expansion of available learning opportunities for disadvantaged adults who are not adequately served by current educational offerings in their communities;

"(4) the term 'disadvantaged persons' means adults who, because of circumstances of age, sex, low-income, handicap, minority status, status of unemployment or underemployment, lack of education or other significant barrier have been prevented from obtaining equal educational opportunities.

"(b) For purposes of sections 102(a)(1) and 103(b), the adult population of a State and of all States shall be determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

"APPROPRIATIONS AUTHORIZED

"SEC. 111. To carry out the purposes of this title, there are authorized to be appropriated such sums as may be necessary through fiscal year 1985.".

96TH CONGRESS
1ST SESSION

H. R. 5051

To amend the Higher Education Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1979

Mr. JEFFORDS (for himself and Mr. RATCHFORD) introduced the following bill; which was referred to the Committee on Education and Labor

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A BILL

To amend the Higher Education Act of 1965.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "State Postsecondary Education Act of 1980".

SEC. 101. Section 1202 of the Higher Education Act of 1965 (hereinafter referred to as the "Act") is amended to read as follows:

"GENERAL AGREEMENTS BETWEEN THE FEDERAL GOVERNMENT AND INDIVIDUAL STATES

"SEC. 1202. (a) Any State which desires to receive assistance under, participate in, or enter into agreements or contracts under, any applicable provision of this Act as defined in subsection (b), shall enter into a general agreement with the Secretary pursuant to subsection (c) setting forth the terms and conditions for the relationship between the Federal Government and each individual State for comprehensive statewide planning for postsecondary education and for administration within the State of Federal programs authorized by this Act.

"(b) An 'applicable provision' for the purposes of subsection (a) shall include—

"(1) part A of title I (Community Service and Continuing Education Programs);

"(2) section 411(e) (agreements with States for processing of applications for Basic Educational Opportunity Grants);

"(3) subpart 3 of part A of title IV (Grants to States for State Student Incentives);

"(4) subpart 5 of such part (Education Information);

"(5) part A of title VI (Financial Assistance for the Improvement of Undergraduate Instruction—Equipment);

"(6) part A of title VII (Grants for the Construction, Reconstruction and Renovation of Undergraduate Academic Facilities);

"(7) title X (Establishment and Expansion of Community Colleges);

"(8) sections 1203, 1204, and 1205; and

"(9) all other agreements or contracts by the Secretary with individual States pursuant to provision of this Act or of the General Education Provisions Act in fulfillment of his responsibilities with respect to administration of Federal postsecondary education programs.

"(c) Each general agreement between the Secretary and an individual State shall include—

"(1) a designation by the State of the State agency responsible under State law for comprehensive statewide planning for postsecondary education;

"(2) an identification by the State of the State agency or agencies, if any, other than the agency designated pursuant to clause (1), responsible for the following functions in the State:

"(A) State agencies, commissions, or institutions responsible for administration of any applicable provision, as defined in subsection (b);

"(B) State agencies responsible for licensing or authorization of operation of postsecondary education institutions in the State (including collegiate and noncollegiate as well as public and private institutions);

"(C) State agencies, boards, commissions, or councils responsible for statewide coordination or governance of major sectors of postsecondary education in the State including four-year colleges and universities, community or junior colleges, and postsecondary vocational or technical institutions;

"(3) a description by the State of the means used by the State to provide for a relationship between the planning and policies of the State agencies identified pursuant to clause (2) and comprehensive statewide planning by the State agency designated pursuant to clause (1);

"(4) an assurance by the State, including a description of the means to be used by the State to fulfill the assurance, that representatives of the general public and of public and private nonprofit and proprietary institutions of postsecondary education in the State are involved in the comprehensive statewide planning process undertaken by the State agency designated pursuant to clause (1);

"(5) an assurance by the State that the comprehensive statewide planning undertaken by the State agency designated pursuant to clause (1) takes into consideration (as appropriate to the needs, resources, and circumstances of each State)—

"(A) the postsecondary education needs of unserved and underserved persons of all ages, including those beyond the traditional college age, within the State; and

"(B) the resources of those institutions, organizations, or agencies (both public and private) within the State capable of and interested in providing postsecondary educational opportunities in the State; and

"(6) assurances that—

"(A) the State will provide for such methods of administration as are necessary for the proper and efficient administration of any applicable provision as defined in subsection (b);

"(B) the State will make provision for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the States under any applicable provision as defined in subsection (b); and

"(C) the State will follow such policies and use such methods and practices of administration as will insure that non-Federal funds will not be supplanted by Federal funds.

"(d) In accordance with determinations and regulations of the Secretary, the information and assurances provided by a State in accordance with subsection (c) shall be satisfactory for the purposes of, and shall be considered in lieu of, any comparable requirements for information and assurances in any applicable provision as defined in subsection (b).

"(e)(1) The Secretary shall enter into a general agreement with any State desiring to enter into such an agreement if such State includes within the general agreement the information and assurances, satisfactory to the Secretary, required in subsection (c).

"(2) A general agreement with any State shall remain in effect subject to modification as changes in information or circumstances require.

"(3) The Secretary shall not refuse to enter into a general agreement with a State desiring to do so, or refuse to accept a modification of such an agreement proposed by a

State, without giving the State reasonable notice and an opportunity for a hearing.

"(4) Whenever the Secretary, after reasonable notice and opportunity for hearing to the State, finds that there is a failure by the State to comply substantially with the provisions of subsection (c), the Secretary shall notify the State that the State is no longer eligible to participate in any applicable provision as defined in subsection (b) until he is satisfied that there is no longer any such failure to comply.

"(5)(A) Nothing in this section shall be construed to authorize the Secretary to require any State to adopt, as a condition for entering into a general agreement, or for participation in any applicable provision as defined in subsection (b), a specific State organizational structure for achieving participation in the planning or administration of programs, or for statewide planning, coordinating, governing, regulating, or administering of postsecondary education agencies, institutions, or programs in the State.

"(B) Nothing in this section shall be construed as a limitation on the authority of any State to adopt a State organizational structure for postsecondary education agencies, institutions, or programs which is appropriate to the needs, traditions, and circumstances of that State, or as a limitation on the authority of a State entering into a general agreement pursuant to this section to modify the State organizational structure at any time subsequent to entering into such an agreement.

"(f) For the purposes of this section, definition of the State office or body authorized to act on behalf of the State for the purpose of entering into a general agreement with the Secretary shall be in accordance with State law of each individual State with respect to the authority to make legal agreements between the State and the Federal Government.".

SEC. 102. Section 1203 of the Act is amended to read as follows:

"COMPREHENSIVE STATEWIDE PLANNING FOR POSTSECONDARY EDUCATION AND STATEWIDE EVALUATION OF FINANCING POSTSECONDARY EDUCATION

"SEC. 1203. (a)(1) The Secretary shall grant to each State with a general agreement in effect pursuant to section 1202 an amount determined in accordance with paragraph (2) to assist comprehensive statewide planning by the State agency designated as responsible for such planning by the State's general agreement.

"(2)(A) From the sums available for grants under this subsection from appropriations pursuant to subsection (c), the Secretary shall allot to each State an amount which bears the same ratio to such sums as the population of such State eighteen years old and older bears to the population of all the

States eighteen years old and older, except that for each fiscal year no State shall receive from such sums less than $50,000 for that year.

"(B) If any State does not enter into a general agreement under section 1202 satisfactory to the Secretary, or if in any fiscal year, any State does not have such an agreement satisfactory to the Secretary, the Secretary shall reallot the funds that would have been allotted to such State to all other States with such satisfactory agreements. Such reallotments to other States shall be made in proportion to their allotments pursuant to subpargraph (A). Any amount reallotted to a State under this paragraph during a year from funds appropriated shall be deemed part of its allotment under subparagraph (A) for such year.

"(C) The population eighteen years old and older of a State and of all the States shall be determined by the Secretary on the basis of the most recent satisfactory data available from the Department of Commerce.

"(3) The State agency responsible for comprehensive planning shall determined the specific activities to be undertaken within assistance provided under this section. Such activities may include, but shall not be limited to—

"(A) development or revision of statewide comprehensive or master plans for postsecondary education;

"(B) statewide studies of student assistance needs and resources including Federal, State, and other sources of assistance;

"(C) special studies leading to recommendations regarding public policy alternatives to address critical issues confronting postsecondary education in the State;

"(D) collection and dissemination of information regarding the characteristics of postsecondary educational institutions or programs, sources of student financial assistance (Federal, State, and other), and other information designed to assist persons to make choices among available postsecondary educational opportunities; and

"(E) development of information systems and other means to assist the comprehensive planning process in the State.

"(4) the State agency responsible for comprehensive planning shall expend in any fiscal year in which assistance is received under this section not less than one dollar from non-Federal sources for comprehensive statewide planning for every dollar in excess of $50,000 expended in such fiscal year from assistance provided under this subsection.

"(5) The State agency responsible for comprehensive planning shall submit a report prior to September 30 of each fiscal year in which assistance is received under this section, to the Governor and the State legislature of the State in which the State agency is located, and to the Secretary, describing the specific comprehensive planning activities undertaken in the previous twelve months, and a projected agenda for such planning for the subsequent twelve months.

"(b)(1) The Secretary is authorized to reserve not more than 10 per centum of the sums appropriated pursuant to subsection (c) in any fiscal year in which such appropriations equal or exceed $5,000,000, for the purpose of entering into cooperative agreements with not more than twenty States at any one time to conduct a comprehensive statewide evaluation of the financing of postsecondary education in the State, including the use of student assistance from all sources (Federal, State, and other). Such an evaluation shall include, but not be limited to, examination of the impact of student assistance on access to, and choice of, all types of institutions of postsecondary education in the State, and assessment of the impact of student assistance on the level of tuition in both public and private institutions of postsecondary education in the State.

"(2) The comprehensive statewide evaluation shall be conducted by the State agency responsible for comprehensive statewide planning as designated by the State's general agreement under section 1202, or responsibility for conducting the evaluation may be delegated by that State agency to another State agency as appropriate within the State.

"(c) There are authorized to be appropriated such sums as may be necessary for each fiscal year ending prior to October 1, 1984, to carry out the provisions of this section.".

SEC. 103. Section 1204 of the Act shall read as follows:

"SUPPLEMENTAL AGREEMENTS WITH STATES

"SEC. 1204. (a) The Secretary is authorized to enter into supplemental agreements with any State with a general agreement in effect pursuant to section 1202, for the purpose of performing functions within that State which the Secretary determines will contribute to the effective administration of Federal programs authorized by this Act and can be more effectively and efficiently administered in cooperation with individual States rather than through direct Federal administration. Such functions may include, but shall not be limited to—

"(1) functions related to the administration of student assistance programs authorized by title IV of this Act, including validation of information on applications under the basic educational opportunity grant program;

"(2) monitoring and enforcement of Federal laws and regulations to prevent fraud and abuse in the administration of Federal programs or in the use of Federal funds by institutions of higher education and students within the State;

"(3) designing and developing programs, in consultation with statewide financial aid administrator organizations, to increase the proficiency of institutional and State financial aid administrators in all aspects of financial aid;

"(4) broadening and strengthening State policies and procedures for licensure and authorization of operation of institutions of higher education in the State; and

"(5) coordinating State-level Federal and State programs providing information to students, parents, and other persons within the State regarding postsecondary educational programs, student financial assistance, labor market conditions, and occupational opportunities.

"(b) There are authorized to be appropriated such sums as necessary for each fiscal year ending prior to October 1, 1984, to carry out the provisions of this section.".

Committee of Urban Program Universities
1300 19th Street NW Suite 220 Washington DC 20036 202 387-2130

September 7, 1979

MEMORANDUM

TO: Members, House Subcommittee on Postsecondary Education

FROM: Jim Harrison, Executive Director, CUPU Jim Harrison

SUBJ: The Urban Grant University Bill

First, let me thank you again for giving of your time and patience over the past several months in discussing the Urban Grant University proposal with me.

We at CUPU are deeply pleased, of course, that the substance of H.R. 3181--Urban Grant's number in this Congress--has been incorporated in H.R. 5192, the "Chairman's bill" to reauthorize the Higher Education Act. Urban Grant is proposed therein as a new Title XI of the Higher Education Act. Otherwise the language of this section of H.R. 5192 is identical to that of H.R. 3181. Subcommittee mark-up on H.R. 5192 is tentatively scheduled for September 13.

Most of the attention of the Subcommittee has rightly been focussed on the big issues surrounding loans, grants, work-study, less-than-half-time students, etc. This is where the major share of the Federal effort, and the major share of the Federal dollars go to in higher education, and hundreds of thousands of students are involved in these programs. While we believe Urban Grant's importance exceeds its size or its fiscal impact, we certainly can understand that Urban Grant may not be in the forefront of your mind as mark-up approaches.

For that reason, I have taken the liberty of bringing together some background material on Urban Grant so that you may have some indication of the support this legislation enjoys.

We think the bill has an impressive range of support. It is co-sponsored in the House by 70 of your colleagues, including the Chairman and ranking Republican members of both the Subcommittee and the full Committee. We have co-sponsors from both parties, from most places along the ideological spectrum in the House, from large cities and from thoroughly rural States, and covering a geographical spread from Boston, to Seattle, to Long Beach, to Houston, to Atlanta, to Norfolk and back again. The bill as it now reads is supported by university presidents, by higher education associations, by Mayors from Birmingham to Detroit and from San Francisco to Portsmouth, Virginia, by the city managers' organization, and by labor unions and business groups.

It would be nice for me to be able to stop there, leaving you with the impression that there are no issues left unresolved. But in fairness to you, I cannot say that. While I know of no flat-out opposition to the proposal as a whole, there is one difference of opinion among the bill's supporters. The bill defines an "urban area" as a Standard Metropolitan Statistical Area with a population of 500,000 or more, and makes any otherwise qualified university in such an SMSA eligible for participation. (It also directs the agency to designate an urban area in any State which has no SMSA of the requisite size, so that no State is left outside the bill totally.) One organization--the American Association of State Colleges and Universities (AASCU)--has taken the position that this population figure should be lowered to permit other universities to participate in the program. We at CUPU believe this would dilute the likely funding to a point where urban research and service projects of size enough to be significant would not be fundable. This is an issue where any decision will, clearly, be "arbitrary", but where there has to be a cut-off point if the word "urban" in Urban Grant is to have any meaning at all. We hope that the Subcommittee will retain language which will permit every State in the Union, and urban areas in which substantially more than half the nation's population lives, to participate in the program. This is the language of the bill as it now reads.

CO-SPONSORS OF THE URBAN GRANT UNIVERSITY ACT (H.R. 3181)

- * Mr. William Ford (D-Mi.)
- ** Mr. John Buchanan (R-Ala.)
- Mr. Frank Annunzio (D-Ill.)
- Mr. John Ashbrook (R-Ohio)
- Mr. Les Aspin (D-Wis.)
- Mr. Les AuCoin (D-Ore.)
- Mr. Don Bailey (D-Pa.)
- Mr. Edward Beard (D-R.I.)
- Mr. Ed Bethune (R-Ark.)
- Mr. Mario Biaggi (D-N.Y.)
- Mr. Jonathan Bingham (D-N.Y.)
- Mr. David Bonior (D-Mi.)
- Mr. John Brademas (D-Ind.)
- Mr. William Brodhead (D-Mi.)
- Mrs. Lindy Boggs (D-La.)
- Mr. Phillip Burton (D-Ca.)
- Mr. William Clay (D-Mo.)
- Mr. Silvio Conte (R-Mass.)
- Mr. John Conyers, Jr. (D-Mi.)
- Mr. Baltasar Corrada (D-P.R.)
- Mr. Charles Diggs, Jr. (D-Mi.)
- Mr. Charles Dougherty (R-Pa.)
- Mr. Robert Drinan (D-Mass.)
- Mr. Robert Edgar (D-Pa.)
- Mr. Melvin Evans (R-V.I.)
- Ms. Geraldine Ferraro (D-N.Y.)
- Mr. Wyche Fowler, Jr. (D-Ga.)
- Mr. Robert Garcia (D-N.Y.)
- Mr. Joseph Gaydos (D-Pa.)
- Mr. Dan Glickman (D-Kansas)
- Mr. William Green (R-N.Y.)
- Mr. Augustus Hawkins (D-Ca.)
- Mr. Cecil Heftel (D-Hawaii)
- Mr. James Jeffords (R-Vt.)
- Mr. Dale Kildee (D-Mi.)
- Mr. John LaFalce (D-N.Y.)
- Mr. Raymond Lederer (D-Pa.)
- Mr. William Lehman (D-Fla.)
- Mr. Mickey Leland (D-Tex.)
- Mr. Joseph McDade (R-Pa.)
- Mr. Norman Mineta (D-Ca.)
- Mr. Parren Mitchell (D-Md.)
- Mr. John Joseph Moakley (D-Mass.)
- Mr. William Moorhead (D-Pa.)
- Mr. Ronald Mottl (D-Ohio)
- Mr. Austin Murphy (D-Pa.)
- Mr. Morgan Murphy (D-Ill.)
- Mr. Lucien Nedzi (D-Mi.)
- Mr. Henry Nowak (D-N.Y.)
- Ms. Mary Rose Oakar (D-Ohio)
- Mr. Richard Ottinger (D-N.Y.)
- Mr. Carl Perkins (D-Ky.)
- Mr. Joel Pritchard (R-Wash.)
- Mr. Charles Rangel (D-N.Y.)
- Mr. Henry Reuss (D-Wis.)
- Mr. Frederick Richmond (D-N.Y.)
- Mr. Peter Rodino, Jr. (D-N.J.)
- Mr. Robert Roe (D-N.J.)
- Mr. Benjamin Rosenthal (D-N.Y.)
- Mr. James Scheuer (D-N.Y.)
- Mrs. Patricia Schroeder (D-Colo.)
- Mr. Keith Sebelius (R-Kansas)
- Mr. Paul Simon (D-Ill.)
- Mr. Frank Thompson, Jr. (D-N.J.)
- Mr. Bruce Vento (DFL-Minn.)
- Mr. Ted Weiss (D-N.Y.)
- Mr. G. William Whitehurst (R-Va.)
- Mr. Larry Winn, Jr. (R-Kansas)
- Mr. Robert Young (D-Mo.)
- Mr. Leo Zeferetti (D-N.Y.)

*Chairman, House Subcommittee on Postsecondary Education

**Ranking Minority Member, House Subcommittee on Postsecondary Education

CO-SPONSORS OF THE URBAN GRANT UNIVERSITY ACT

(S. 1553)

Senator Thomas Eagleton (D-Mo.)
Senator Walter Huddleston (D-Ky.)
Senator Daniel Inouye (D-Hawaii)
Senator Jacob Javits (R-N.Y.)
Senator J. Bennett Johnston (D-La.)
Senator Richard Lugar (R-Ind.)
Senator Donald Riegle (D-Mi.)
Senator Paul Tsongas (D-Mass.)
Senator Harrison Williams, Jr. (D-N.J.)

THE URBAN GRANT UNIVERSITY ACT

(H.R. 3181, S. 1553, and part of H.R. 5192)

SUMMARY OF THE KEY PROVISIONS

The bill is drafted as a new Title XI of the Higher Education Act.

Statement of Findings and Purpose

The bill finds that there are skills, talents and knowledge applicable to urban problems, available in urban universities, and authorizes the Commissioner of Education to carry out programs designed to make these skills available to the cities.

Authorization

HOUSE: FY 1981--$50 million; FY 1982--$75 million; FY 1983--$90 million; FY 1984--$100 million.

SENATE: FY 1981--$25 million; FY 1982--$50 million; FY 1983--$70 million; FY 1984--$90 million. *

Key Definitions

An "urban area" is a Standard Metropolitan Statistical Area with a population of 500,000 or more, but the Commissioner is required (in the Senate bill he is allowed)* to designate an urban area in those eleven states where there is no such SMSA.

An "urban university"--located in an urban area; drawing a substantial portion of its students from that area or contiguous ones; carries out programs to make postsecondary education opportunities available to the people of the urban area; has the present capacity to provide specialized training, research, services and technical assistance responsive to the needs of the area; offers a range of graduate or professional programs sufficient to sustain its offerings of service to the city.

An "institution of higher education" is specified to include a consortium of such institutions, as long as one of them meets all the qualifications set forth above.

Project Assistance Grants

Authorizes the making of grants to urban universities for the carrying out of applied research and service projects for their cities. The grants are on a competitive application basis. The application must show the degree to which the local government has been involved in the planning, and the degree to which it is committed to making some financial contribution to the project. The local government or governments involved have a right to review and comment on the application.

The Federal share is limited to 90% of the project cost.

Limitations

Not more than 15% of the total appropriated can be granted in a single state.

* NOTE: The only differences between the House and Senate versions are the two pointed out above.

AUG 6 1979

Committee of Urban Program Universities
1300 19th Street, N.W. Suite 220, Washington, D.C. 20036   202/387-2130

August 3, 1979

Honorable William D. Ford, Chairman
Subcommittee on Postsecondary Education
House Office Building
Washington, D. C. 20515

Dear Mr. Chairman:

On behalf of the undersigned members of the Board of the Committee of Urban Program Universities and as its President, I want to take this opportunity to thank you, Congressman Buchanan, and your other colleagues for your leadership in the development of the Urban Grant University Act (H.R. 3181). As this organization indicated in its testimony before your Subcommittee in January, 1978, we believe that the mechanism which would be created by passage of the Urban Grant Act will provide a valuable tool to the cities of this country and to the urban universities which live in and serve those cities, encouraging a joint approach to many of the problems which confront both.

We have watched with enthusiasm and appreciation the constructive manner in which you have taken the testimony of university spokesmen, mayors, and other interested people from every part of the country, and utilized that testimony to shape a legislative proposal which we consider a significant improvement over our initial suggestions. Your handling of the Urban Grant concept has been an example of the legislative process at its most constructive. As your Subcommittee moves closer to action on the reauthorization of the Higher Education Act of 1965, we would like to urge that the substance of H.R. 3181 be embodied in that reauthorization bill, so that the Congress may consider the Urban Grant Act at the same time it is considering reauthorization of the Higher Education Act as a whole.

We have testified earlier as to the details of the legislation, and we feel that the present draft is one we can endorse enthusiastically.

Sincerely,

James G. Miller

James G. Miller, President, CUPU
President, University of Louisville

Werner A. Baum
President Emeritus, CUPU

Heinz Bondy, Assistant Vice-President
University of Massachusetts, Boston

(more)

Thomas N. Bonner, President
Wayne State University

Lisle Carter, President
University of the District of Columbia

Frank Cassell, Assistant Chancellor
University of Wisconsin, Milwaukee

Glenn S. Dumke, Chancellor
California State University and Colleges

Saul K. Fenster, President
New Jersey Institute of Technology

William Gerberding, President
University of Washington

Carlo L. Golino
President Emeritus, CUPU

Arnold Grobman, Chancellor
University of Missouri, St. Louis

Rev. Timothy S. Healy, S. J., President
Georgetown University

S. Richardson Hill, President
University of Alabama at Birmingham

Homer Hitt, Chancellor
University of New Orleans

Philip G. Hoffman, President
University of Houston

Edmund Hughes, Vice-President
Georgia State University

Robert Ketter, President
State University of New York at Buffalo

Robert J. Kibbee, Chancellor
City University of New York

Robert E. Marshak, President
City College of New York

C. Peter Magrath, President
University of Minnesota

Frank Newman, President
University of Rhode Island

Wesley Posvar, Chancellor
University of Pittsburgh

Donald Riddle, Chancellor
University of Illinois, Chicago Circle

George Russell, Chancellor
University of Missouri, Kansas City

Alfred B. Rollins, Jr., President
Old Dominion University

Kenneth G. Ryder, President
Northeastern University

Granville Sawyer, President
Texas Southern University

Marvin Wachman, President
Temple University

Walter Waetjen, President
Cleveland State University

Del Weber, Chancellor
University of Nebraska, Omaha

Ronald Williams, President
Northeastern Illinois University

Henry R. Winkler, President
University of Cincinnati

James Young, Provost
Newark Campus, Rutgers University

Committee of Urban Program Universities
1300 19th Street, N.W. Suite 220, Washington, D.C. 20036 202/387-2130

August 2, 1979

Honorable William D. Ford, Chairman
House Subcommittee on Postsecondary Education
2368 Rayburn House Office Building
Washington, D. C. 20515

Dear Mr. Chairman:

The undersigned members of the Board of the Committee of Urban Program Universities want to take this opportunity to thank you, Congressman Buchanan, and your other colleagues for your leadership in the development of the Urban Grant University Act, (H.R. 3181). As this organization indicated in its testimony before your Subcommittee in January, 1978, we believe that the mechanism which would be created by passage of the Urban Grant Act will provide a valuable tool to the cities of this country and to the urban universities which live in and serve those cities, encouraging a joint approach to many of the problems which confront both.

We have watched with enthusiasm and appreciation the constructive manner in which you have taken the testimony of university spokesmen, mayors, and other interested people from every part of the country, and utilized that testimony to shape a legislative proposal which we consider a significant improvement over our initial suggestions. Your handling of the Urban Grant concept has been an example of the legislative process at its most constructive. As your Subcommittee moves closer to action on the reauthorization of the Higher Education Act of 1965, we would like to request that the substance of H.R. 3181 be embodied in that reauthorization bill, so that the Congress may consider the Urban Grant Act at the same time it is considering reauthorization of the Higher Education Act as a whole.

We have testified earlier as to the details of the legislation, and we feel that the present draft is one we can endorse enthusiastically.

Again, our thanks for your understanding leadership in this effort.

Sincerely,

Cyril D. Tyson

Committee of Urban Program Universities
1300 19th Street, N.W. Suite 220, Washington, D.C. 20036 202/387-2130

August 1, 1979

Honorable William D. Ford, Chairman
House Subcommittee on Postsecondary Education
2368 Rayburn House Office Building
Washington, D. C. 20515

Dear Mr. Chairman:

Thank you for your invitation, relayed to me through the Subcommittee staff, to appear and comment upon the Administration's proposals presented to the Subcommittee on July 19. As I told Ms. Rissler, I think CUPU's views are simple enough to be offered for the record in writing, leaving the valuable live time to those organizations with more detailed reactions.

As I read the Administration's proposition relating to Title I, they are offering generally to "take a hard look at" their present opposition to funding any part of Title I if you will restructure that Title to provide a clearer distinction between continuing education and community services, and for running the community services program on a competitive grant rather than a formula grant basis.

CUPU has, of course, no associational views on continuing education, but I personally think you might be well-advised to take a good look at the Administration offer with regard to community services. The community service function of universities everywhere is an important one, and it might well be worthwhile turning that into a competitive grant program, if you could obtain firmer assurances of Administration support for funding it in the future.

We recognize, and are gratified by the flattery implicit in the Administration's mention of the urban grant idea as a source of their increased interest in community service. But we would have to take the position that whatever the intrinsic merits of the Administration's proposal, it is not a substitute for Urban Grant.

Our organization exists, of course, on the premise that there is such an animal as the urban university; that there is such an environment as the urban environment; and that as your bill has suggested all along, there is a need for a specific urban focus on those universities and their impact on that environment. The Administration's proposal has no urban focus at all, and fails on that count.

In general, CUPU's position is that whatever the fate of the Administration's recommendation for the community services provisions of Title I-A, you should definitely incorporate the language of H.R. 3181 into the Act as a separate and distinct part of the Act. As I have advised the staff already, we have no concern over whether or not it is a new Title or a part of Title I.

Sincerely,

Jim Harrison

Jim Harrison
Executive Director

Committee of Urban Program Universities
1300 19th Street NW Suite 220 Washington DC 20036 202/387-2130

February 22, 1979

Honorable
House Office Building
Washington, D. C. 20515

Dear Representative :

We are writing to you, and each of the members of the Congressional Black Caucus on behalf of legislation which will be introduced on or about February 28th, to amend the Higher Education Act by adding to it a new Title XII, the "Urban Grant University Act".

All of us are presidents of urban universities and Board members of the Committee of Urban Program Universities. Texas Southern is a traditionally black university. The University of the District of Columbia has a predominantly black enrollment. And, while Northeastern Illinois University is neither traditionally nor predominantly a black institution, it is located in the kind of urban area where our commitment to coping with urban problems means in major part a commitment to coping with the problems of blacks in an urban setting.

The Urban Grant University Act, whose chief sponsors are Congressmen Bill Ford of Michigan and John Buchanan of Alabama, was first dropped into the hopper in May, 1977. The text of that bill was subject to a number of wholly legitimate criticisms from the point of view of the urban black community. Those criticisms have been honestly faced up by the drafters of the bill, and while, like most legislation, the bill is not perfect, the text that Congressmen Ford and Buchanan will be introducing is a substantial improvement over the May, 1977 version. The undersigned have participated in the process that led to that improvement, and we believe the present text represents a sound approach to the special problems of urban communities.

We recommend the bill to you and hope that you will see fit to add your name to the list of those co-sponsoring it.

Sincerely,

G. M. Sawyer, President
Texas Southern University

Ronald Williams, President
Northeastern Illinois University

Lisle C. Carter, Jr., President
University of the District
of Columbia

City of Birmingham, Alabama

OFFICE OF THE MAYOR

DAVID VANN
MAYOR

August 29, 1979

Honorable William D. Ford, Chairman
House Subcommittee on Postsecondary Education
2368 Rayburn House Office Building
Washington, D. C. 20515

Dear Mr. Chairman:

On behalf of the Mayors' Committee for an Urban Grant Act, I want once again to thank you, your colleague, John Buchanan, and the sixty-plus other Members of the House who have joined with you in your continued efforts to improve and enact the Urban Grant Act.

As a sharpening of the existing authority in Title I of the Higher Education Act; as a means of improving the ability of urban universities to serve their cities; as a new source of applied research and services for the hard-pressed cities in this era of fiscal austerity, the Urban Grant Act, as now contained in H.R. 3181, has gained the support of a broad, bi-partisan coalition of city officials from throughout the nation.

This Committee would urge that the substance of H.R. 3181 be included in the Higher Education Act extension legislation when your Subcommittee turns to that task later this year.

For the Committee,

David J. Vann

David J. Vann, Chairman
Mayor of Birmingham, Alabama

MEMBERS OF MAYORS' COMMITTEE FOR AN URBAN GRANT UNIVERSITY ACT

David Vann, Birmingham, Alabama (co-chairman)
Coleman Young, Detroit, Michigan (co-chairman)
Jane Byrne, Chicago, Illinois
Thomas Clark, Long Beach, California
Richard S. Caliguiri, Pittsburgh, Pennsylvania
Richard J. David, Portsmouth, Virginia
Dianne Feinstein, San Francisco, California
Janet Gray Hayes, San Jose, California
W. R. Holcomb, San Bernardino, California
Maynard Jackson, Atlanta, Georgia
Edward Koch, New York City
Dennis Kucinich, Cleveland, Ohio
Henry Maier, Milwaukee, Wisconsin
Ernest Morial, New Orleans, Louisiana
Charles Royer, Seattle, Washington
Patrick Standing, Virginia Beach, Virginia
William Stansbury, Louisville, Kentucky
Bobbie Stern, Cincinnati, Ohio
Vincent Thomas, Norfolk, Virginia
Ilene Weinreb, Hayward, California
Kevin White, Boston, Massachusetts
Charles A. Wornom, Hampton, Virginia

City of Detroit Executive Office

Coleman A. Young, Mayor

August 15, 1979

The Honorable
William D. Ford
Chairman
House Subcommittee on
Postsecondary Education
2368 Rayburn
House Office Building
Washington, D.C. 20155

Dear Congressman Ford:

I want once again to thank you, your colleague, John Buchanan, and the sixty plus other members of the House of Representatives who have joined with you in your continued efforts to improve and enact the Urban Grant Act.

As a sharpening of the existing authority in Title I of the Higher Education Act, as a means of improving the ability of urban universities to serve their cities, and as a new source of services for hard-pressed cities in this era of fiscal austerity, the Urban Grant Act, as now contained in H.R. 3181, has gained the support of a broad, bi-partisan coalition of city officials across the nation.

I urge that the substance of H.R. 3181 be included in the Higher Education Act extension legislation when your Subcommittee turns to that task later this year.

Sincerely,

Coleman A Young

COLEMAN A. YOUNG
Mayor

Office of the President 4001 W. McNichols Road, Detroit, Michigan 48221 Telephone: (313) 927-1455

August 14, 1979

The Honorable William D. Ford
Chairman, Subcommittee on
Postsecondary Education
619 House Office Building
Annex #1
Washington, D.C. 20515

Dear Congressman Ford:

I am taking this occasion to join with the Committee of Urban Program Universities in support of their recommendation that the draft Higher Education Act extension bill have included within it the substance of H.R. 3181 -- the current Urban Grant bill.

As you know from my testimony at your subcommittee's hearings in April of this year, the University of Detroit recommends this legislation because it appreciates the impact it will have on urban universities and their abilities to affect positive social change in the communities which surround them. While the University of Detroit is not a member of the Committee of Urban Program Universities, we do heartily support their efforts to see such legislation enacted.

Let me also take this opportunity to thank you for your fine past support of independent colleges and universities across the nation.

Sincerely,

Malcolm Carron, S.J.
President

MC/rcp

OFFICE OF THE MAYOR
CITY OF CHICAGO

JANE M. BYRNE
MAYOR

August 14, 1979

Honorable William D. Ford
House Subcommittee on Postsecondary Education
2368 Rayburn Office Building
Washington, D.C. 20215

Dear Mr. Chairman:

I am writing to add my support for passage of the proposed Urban Grant University Act now pending before Congress.

A review of the legislation indicates passage will certainly improve the working relationship between the City of Chicago and land grant universities. The need to strengthen the efforts of urban universities in providing the programs necessary to address the problems facing cities in the 1980's is indeed critical.

I look forward to passage of this legislation in this session of Congress.

Sincerely,

Jane M. Byrne
Mayor

cc: Jean Rae Buckwalter

National Association
of State Universities
and Land-Grant Colleges

Robert L. Clodius, President

August 14, 1979

Honorable William D. Ford
Chairman
Subcommittee on Postsecondary Education
Committee on Education and Labor
619 House Annex 1
300 New Jersey Avenue, S.E.
Washington, D.C. 20515

Dear Mr. Chairman:

As the hearing process that precedes the reauthorization of the Higher Education Act comes to a close, I thought it appropriate to convey to you ths appreciation of the National Association of State Universities and Land-Grant Colleges for the number of occasions when you made opportunities available to our representatives to present our views before your Subcommittee. We believe that the issues have been discussed and debated in an unusually complete manner during the past months, and we will look forward to being of assistance in whatever way you think appropriate as you move toward drafting and marking up amendments to the Higher Education Act.

I will take this opportunity also to reiterate our support for H.R. 3181, the legislation you and Congressman Buchanan have developed on the basis of last year's hearings on the Urban Grant University Act. We believe the language of H.R. 3181 is a constructive and appropriate response to the testimony presented during those hearings. We believe, too, that it would be desirable that H.R. 3181, or its substantive equivalent, be made part of the Higher Education Act extension legislation that your Subcommittee and the full Committee on Education and Labor soon will be considering. We believe that the urban universities that are members of our association, as well as those that belong to other associations, all will be served well by your legislative initiative in this area.

Sincerely yours,

Bob Clodius
Robert L. Clodius
President

One Dupont Circle, N.W.   Washington, D.C. 20036   202 293-7120

Apartado AE, Río Piedras
Puerto Rico, 00928
Tel. 751-0178

Oficina del Presidente
Ayudante Ejecutivo

Instituciones Afiliadas:
Puerto Rico Junior College
Colegio Universitario del Turabo

Fundación Educativa Ana G. Méndez

August 4, 1978

Mr. William D. Ford, Chairman
House Subcommittee on
Postsecondary Education
Congres of the U.S.
Washington, D.C. 20515

Dear Mr. Ford:

It has come to my attention that you are considering H.R. 7328, the Urban Grant University Act of 1977.

I truly believe this Act would be of great benefit to our institutions in Puerto Rico, particularly the urban campus of our College that you visited here.

I wholeheartedly endorse the bill and I ask of you to keep me informed as to its progress.

I hope to see you again soon. I will be in Washington in mid-October and will call your office.

Warm regards.

Cordially,

José F. Méndez
President

UNIVERSITY OF ARKANSAS AT LITTLE ROCK
33RD AND UNIVERSITY LITTLE ROCK, ARKANSAS 72204 501/569-3200

OFFICE OF THE CHANCELLOR

July 26, 1979

The Honorable William D. Ford
U. S. House of Representatives
2368 Rayburn Building
Washington, D. C.

Dear Mr. Ford:

It has come to my attention that your Subcommittee on Post Secondary Education is about to conclude its hearings on the reauthorization of the Higher Education Act and that the subcommittee staff will be putting together a bill to extend and amend the Act during the August recess. I would like to encourage you to take whatever steps are necessary to include within this bill the substance of H. R. 3181, the Urban Grant Bill.

As you know I've expressed reservations about the Urban Grant Bill as it is presently written at your committee hearing in Wichita, Kansas. I would hope that the changes I've suggested would be incorporated in the staff's draft of the extension of the Higher Education Act.

Thank you for your efforts on behalf of higher education and especially your attention to the needs of urban colleges and universities.

Sincerely,

G. Robert Ross

G. Robert Ross
Chancellor

od

cc: Honorable Beryl Anthony
U. S. House of Representatives

Honorable Ed Bethune
U. S. House of Representatives

Honorable Dale Bumpers
U. S. Senate

Honorable David Pryor
U. S. Senate

UNIVERSITY OF SOUTH ALABAMA

DEAN OF
ADMINISTRATIVE SERVICES

MOBILE, ALABAMA 36688
TELEPHONE (205) 460-6236

July 23, 1979

Congressman William D. Ford
Chairman, Subcommittee on Postsecondary
Education
U. S. House of Representatives
2368 Rayburn Building
Washington, D.C. 20515

Dear Sir:

I am writing to express my concern about H.R.3181, a bill to amend the Higher Education Act of 1965 to establish a system of grants for urban universities, which I believe will be before your committee in the near future. The University of South Alabama is located in Mobile an SMSA in excess of 400,000 people. While we are in full accord with the intent of the legislation, the definition of "urban area" as contained in Section 1205 would, of course, exclude Mobile and subsequently the University of South Alabama.

The University of South Alabama is the only comprehensive four year institution embodying colleges of Arts and Sciences, Education, Business and Management Studies, Engineering, Allied Health, Nursing and Medicine located on the Gulf Coast between New Orleans, Louisiana and Tampa, Florida. Certainly the nature of the Mobile community and the strategic location of the City as an important port and industrial complex creates many of the demands addressed in the bill. We would urge you to reconsider this section of the bill in order that you might not exclude one of Alabama's major universities. If we could provide additional services or testimony to your committee, please feel free to call on us.

I thank you in advance for your cooperation and support.

Sincerely,

V. Gordon Moulton

V. Gordon Moulton

VGM:gh

Copy to: All Members, Subcommittee on Postsecondary Education,
Majority Staff, Minority Staff

aascu

American Association of State Colleges and Universities One Dupont Circle/Suite 700/Washington, D.C. 20036 (202) 293-7070

July 20, 1979

The Honorable William Ford
U. S. House of Representatives
Washington, D. C. 20515

Dear Rep. Ford:

This is a further note that members of the American Association of State Colleges and Universities (AASCU) have voted at their annual meeting for strong support for H.R. 3181, the Urban Grant University Act, with one change.

AASCU has a special project supported by the Ford Foundation to serve as the lead agent for other higher education groups to encourage colleges and universities to work more closely with urban areas and governments in the resolution of their problems. AASCU has also just entered into a memo of understanding with HUD to develop closer ties between HUD, institutions of higher education, and urban areas.

As you know, we have heard from many AASCU members who feel that the proposed minimum size of eligibility in the program, location in an SMSA of 500,000 or more, is too large, even with the proviso that every state is to have one university. Our membership voted to urge a minimum size of 200,000, in order to permit many other institutions at least to be eligible to submit proposals.

Please let us know if we can be helpful as you move to mark up this legislation.

Sincerely,

John P. Mallan

John P. Mallan
Assistant Executive Director
for Governmental Relations

JPM/adm

cc: Tom Wolanin
Jim Harrison, CUPU

Allan W. Ostar, Executive Director

AMERICAN COUNCIL ON EDUCATION
ONE DUPONT CIRCLE
WASHINGTON, D. C. 20036

DIVISION OF GOVERNMENTAL RELATIONS
(202) 833-4736

July 18, 1979

The Honorable William D. Ford
Chairman, Subcommittee on Postsecondary Education
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

This is to supplement the hearing record you have compiled on the extension of the Higher Education Act generally by stating the support of the American Council on Education for the concepts of the Urban University Grant Act, H.R. 3181, which is now before your Subcommittee. We hope that provisions along the lines of this bill will be included in any legislation reauthorizing the Higher Education Act.

Sincerely,

Charles B Saunders Jr

Charles B. Saunders, Jr.
Vice President for Governmental Relations

CBS:sem

TRINITY COLLEGE • HARTFORD • CONNECTICUT • 06106

Office of the President

Dear Mr. Ford:

I want to endorse the proposed Urban Grant University Act (H. R. 3181) which amends the Higher Education Act. I applaud your leadership in this area. The Urban Grant University Act would enable colleges and universities to develop closer affiliations with their respective cities. Thank you for your continuing support of higher education.

With best wishes,

Cordially,

Theodore D. Lockwood

The Honorable William Ford
Chairman, Postsecondary Education Subcommittee
Committee on Education and Labor
House of Representatives
2368 Rayburn House Office Building
Washington, D. C. 20515

June 18, 1979

OFFICE OF THE PRESIDENT

Columbus College
COLUMBUS, GEORGIA 31907

3-1W

May 7, 1979

Honorable Jack T. Brinkley
House of Representatives
Suite 2412, Rayburn House Office Building
Washington, D.C. 20515

Re: H.R. 3181, Urban Grant University Act of 1979

Dear Representative Brinkley:

It is urged that referenced bill be drafted so that smaller urban areas can participate. We have many problems in the Columbus metropolitan area which need attention. It would be most helpful to Columbus College if funds could be made available to our faculty for research and service programs related to these problems.

Sincerely yours,

Tom
Thomas Y. Whitley

TYW:sm

cc: Mr. J. David Cogdell
Assistant to the Director of Development

H.R 3181 → Ed & Labor Post → Post Secondary Education Subcommittee 58881
Cong. William Ford, Chm

urban area pop must be 500,000 or over for university to be able to participate

HR 3181 – to be marked up this fall

A Unit of the University System of Georgia

[illegible]
[illegible]

1979 MAY -9 AM 9 00

May 4, 1979

[illegible]

The Honorable James R. Sasser
United States Senate
Russell Building
Washington, D. C. 20510

Dear Senator Sasser:

The Urban Grant University Act (H.R. 3181) is designed to provide grants on a competitive basis to colleges and universities for conducting research and service programs related to urban problems. The bill limits participation to institutions located in Standard Metropolitan Statistical Areas (SMSA's) with a population of 500,000 or more.

My purpose in writing this letter is to express extreme dissatisfaction with the limited scope of the Bill. While an urban university and the city have a natural affiliation, and the university can provide research and other services to the city, each of the major cities has its own peculiar set of problems and opportunities. It is difficult to see how funds provided to a university in a major city such as New York City, Chicago, Philadelphia, or Cleveland will solve or even significantly lessen the multitude and magnitude of problems these cities experience. The proposed Act states "...that there exists within the Nation's urban universities an underutilized reservoir of skills, talents, and knowledge...." We believe that the most be attained when they are applied to those SMSA's in the middle range (e.g. 350,000 to 750,000) because higher education institutions can have a relatively great impact on problem solving in cities and areas in this population range.

In Tennessee, both the Johnson City and Chattanooga SMSA's have a population of nearly 400,000, thus making them ineligible for funding under the proposed Act. Within the past year, East Tennessee State University has conducted studies on the feasibility of consolidating services in Sullivan County (funded by the Appalachian Regional Commission); surveyed the condition of houses for the City of Johnson City (funded by Johnson City); conducted energy audits on various buildings in several counties (funded by the Tennessee Energy Authority); and held workshops for community decision makers in regard to new Federal regulations concerning the handicapped (funded by Title I through the Tennessee Higher Education Commission). If additional funds were available through this Act, cities within our SMSA would benefit in many other ways.

The proposed Act calls for a first-year appropriation of $50,000,000. States with very large cities could conceivably receive $7,500,000 each, while states such as Tennessee might receive $100,000 each. A more equitable distribution would be to award a college or university within each of the 250 SMSA's a minimum $100,000 grant with the balance to be awarded on the basis of a university's demonstrated ability to help alleviate urban problems. Under this concept, possibly 350 colleges and universities could be working independently and through consortia on local problems instead of the proposed 50 major universities.

I would like to urge that you vote against the Act in its present form. If you desire, I shall be glad to discuss the subject with you in greater detail at your convenience. Thank you for all of your help in this and other matters.

Sincerely,

Arthur H. DeRosier, Jr.
President

AHD/db

URBAN GRANT UNIVERSITY ACT

WHEREAS, the Morill Act of 1862 provided federal assistance for the founding of land grant colleges and universities to assist the agricultural development and research of the United States, and

WHEREAS, the Urban Grant University Act would provide federal assistance to designated urban colleges and universities, encouraging their involvement in assisting cities by using their human and knowledge resources to find solutions for urban problems, and to provide urban public services;

RESOLVED, that the American Federation of Teachers calls upon Congress to enact the Urban Grant University Act and to fully fund it. (1979)

STATEMENT OF CHARLES YANCEY, UAW REPRESENTATIVE, ASSISTANT DIRECTOR, DEPARTMENT OF EDUCATION

Mr. YANCEY. Thank you very much, Chairman Ford. It is a great privilege and honor for me to be here and appear before you and other members of the committee and also to have this opportunity to see my former State representative and another former colleague of mine, Dale Kildee.

As it was indicated, my name is Charles Yancey. I am the assistant director of the Education Department for the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW. I am here today in behalf of Douglas A. Fraser, the president of our union, who conveys to you his personal regrets for not being able to appear before you and to express to you our strong support for H.R. 7328, the Urban Grant University Act of 1977.

As it was indicated, President Fraser prepared a brief statement, and I would like to share with the committee and the audience those remarks from President Fraser, and it reads as follows:

My name is Douglas A. Fraser. I am President of the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, UAW, which represents approximately 1,400,000 workers and their families—most of them urban dwellers.

I welcome this opportunity to testify before this Committee on the "Urban Grant University."

We are all aware of the success of the Morrill Act of 1862. The land-grant colleges created by that legislation have played a major role in the modernization of American agriculture, and ultimately of the entire nation.

Ironically, the very success of the Morrill Act has contributed to our present need for this new legislation, the Urban Grant University Act of 1977. In the century since the passage of the Morrill Act, we have moved rapidly from a largely rural and agrarian society to a predominantly urban and industrial one. But while we have become a nation of city dwellers, we have not been able to marshal effectively the resources of our urban universities in serving the needs of the Nation's urban centers.

While our universities have received assistance in developing more meaningful relationships with their urban environments through such Federal programs as Title I of the Higher Education Act of 1965 and the Urban Observatory Program of 1969, these programs have not provided the resources necessary for our urban universities to meet the pressing social and economic problems confronting our urban areas. Clearly then, it is time to provide America's urban universities with the same resources and opportunities to respond to our urban problems as were available to their land-grant predecessors. We in the UAW applaud this important step in bringing the knowledge and resources of our universities to the service of our urban dwellers.

Detroit Hearings, April 28, 1978

GRAND
VALLEY
STATE
COLLEGES

Allendale, Michigan 49401 • 616/895-6611 • An Equal Opportunity/Affirmative Action Institution

April 27, 1979

The Honorable Guy Vander Jagt
U.S. House of Representatives
Washington, D. C. 20515

Dear Guy:

I am writing to transmit to you a document prepared by the American Association of State Colleges and Universities (AASCU), dealing with the extension of the Higher Education Act. Grand Valley, as you know, is a member of AASCU, and I work closely with the organization as a member of its Committee on Federal Relations.

The positions outlined in the document would be most beneficial to Michigan's colleges and universities and I urge you and your staff to consider them as you deliberate the merits of the Higher Education Act when it comes to the floor.

I should point out that the only place where we at Grand Valley take a different stance from that of AASCU is in regard to point number 8, dealing with the Urban Grant University Act. We support fully the bill as introduced by Bill Ford. Our position is that the SMSA should remain at 500,000 and not be lowered, as suggested by AASCU.

If you support these positions I hope you will tell your colleagues on the Education and Labor Committee, especially those on the Postsecondary Education Subcommittee.

Sincerely,

Don Lubbers

Arend D. Lubbers /sjr.
President

CALIFORNIA STATE UNIVERSITY
LONG BEACH

OFFICE OF THE PRESIDENT
(213) 498-4121

April 23, 1979

APR 30 1979

Honorable William D. Ford
Suite 2368, Rayburn House Office Building
House of Representatives
Washington, D.C. 20515

Dear Bill:

I have now had an opportunity to review HR.3181 which would establish a system of grants for urban universities. I congratulate you and Congressman Buchanan and the many colleagues who have joined with you in this effort. Your leadership is appreciated. I am writing each member of the California Congressional Delegation asking for their support of this worthwhile measure.

With kindest regards,

Sincerely yours,

Stephen Horn

SH:jc

LONG BEACH CALIFORNIA 90840
THE CALIFORNIA STATE UNIVERSITY AND COLLEGES

EASTERN
WASHINGTON
UNIVERSITY

Office of the President

214 Showalter Hall

Cheney, Washington 99004
509-359-2371

April 10, 1979

Representative Thomas S. Foley
1201 Longworth House Office Building
Washington, DC 20515

Dear Tom:

For some time Eastern Washington University has looked forward to passage of HR 3181, the Urban Grant University Act, because we believe the opportunities for research and service to urban areas coincides with the regional mission of the University.

Now we hear that the bill will limit participation to universities in SMSAs of 500,000 population or higher. This will rule us out. The Spokane SMSA numbers roughly 290,000.

We urge you to support actively a change to admit SMSAs of 200,000 and up.

Eastern Washington University serves the Spokane wholesale trade zone. Its interstate mission is explicit in the authorization for our School of Social Work and Human Services to serve northern Idaho and western Montana.

You are well aware of the unified business and societal interests of the inland regions of the Pacific Northwest. The central urban place on which the area depends is Spokane. As the bill is currently written, Eastern, as the primary public institution serving Spokane, will not be eligible to participate in federal funding of research or service projects. This will negatively affect the entire inland region.

Eastern has the academic strengths to serve effectively under the Urban Grant University Act; it offers graduate programs in business, public administration, and urban and rural planning. One reason for designating regional universities in the State of Washington was to focus institutional capabilities on the needs of specified areas. In a sense, the 500,000 SMSA requirement in the Urban Grant University Act will deny us an important resource and diffuse the focus on area needs intended by the State legislature.

Because the funds to be awarded under the Urban act are competitive, we do not believe that widening eligibility will alter its funding. If anything, experience has shown that the stiffer the competition, the better the projects.

Won't you support a change in the bill allowing participation by universities serving SMSAs of 200,000? It is important to the inland Pacific Northwest. Thank you.

Sincerely,

George

H. George Frederickson
President

HGF:js

Excerpt from printed hearing record, House Subcommittee on Postsecondary Education, October 25, 1978

PREPARED STATEMENT OF E. H. DENTON, CITY MANAGER, CITY OF WICHITA, KANS.

Mr. Chairman and Members of the Subcommittee on Post Secondary Education

The testimony you have already received from Mayor Connie Peters and representatives of urban universities documents the special relationships that have developed between cities and post secondary education institutions. My personal experience and the experience of more than 3,000 city managers and urban administrators reinforces and underscores the validity and importance of maintaining and enriching this workable and practical relationship.

The purpose of my testimony today is to speak on behalf of the International City Management Association, (ICMA) of which I am a member, and in my local capacity of City Manager of the City of Wichita, Kansas. This country has been blessed by an unusually high quality of people-oriented, cost effective, and honest system of local government. My conviction is that the quality of public professionalism, and competence in America is no accident. It is based upon self-reliant people who have supported local institutions of higher learning. These institutions, in turn, have produced leaders of quality, and many managers and administrators, who have contributed increasingly higher standards of service to the people of the community.

Wichita is a good example of this partnership. Commission-manager government was adopted here before 1920, only 10 years after the concept was introduced as a revolutionary new idea in Virginia. This is about the same time that Wichita provided public support for a private college that became what is now Wichita State University. Today, more than half of the City's key administrators are graduates of WSU. Technical and supportive roles in the daily functioning of the city range from upward mobility and supervisory training to archaeological research.

The International City Management Association stands squarely behind national, state, and local efforts to strengthen the relationship between the urban university and the cities of this country. ICMA was one of the first public service associations to publish a code of ethics, and establish training programs for city administrators. ICMA advocates that cities be operated on a career, merit basis, by post secondary trained managers, refreshed by university-related career seminars. In recent years ICMA has initiated university based academy certification of managers also wish to continue career training in senior management.

Most of the managers who comprise the ICMA are employed in the smaller and mid-size cities of the United States. Today, a growing number of association members are administrators of counties, councils of government, and appointed administrators of Mayors in the major cities of the nation. The major emphasis remains that home rule of cities, made possible by an informed public and trained staff, is possible in America when it has failed in other countries. One of the major reasons that Americans can rule themselves without centralized national direction of local affairs is the broad base of education, augmented by the urban university.

The challenge in the 1980's will be great to the cities to nurture ability of citizens to rule themselves effectively. The will of the people to control the course of local government and the services it provides is evident. At the same time, people are challenging the costs connected with local government in a nation-wide movement that began less than a year ago in California.

As a professional administrator, and as a member of the International City Management Association my goal here today is to support a strategy that will avoid national intervention of local affairs. Furthermore, it is my purpose to endorse national enrichment of the partnership between cities and universities that will help solve some of these major problems conforncing cities, both big and small:

- shrinking income
- rising labor costs
- evaporating energy resources
- adequate fire and police protection
- historical preservation
- equal employment opportunity
- housing renewal
- economic and job development
- environmental resource conservation
- human potential achievement.

Our mutual goal in support of this legislation is to help cities help themselves in the task of responsible self-government. It is the position of ICMA that this legislation will provide resources to weld city-university ties in the larger cities and at the same time recognize similar needs in cities and areas having fewer than 500,000 people. The subcommittee has demonstrated its sensitivity to the needs of the middle-sized community by its presence here today.

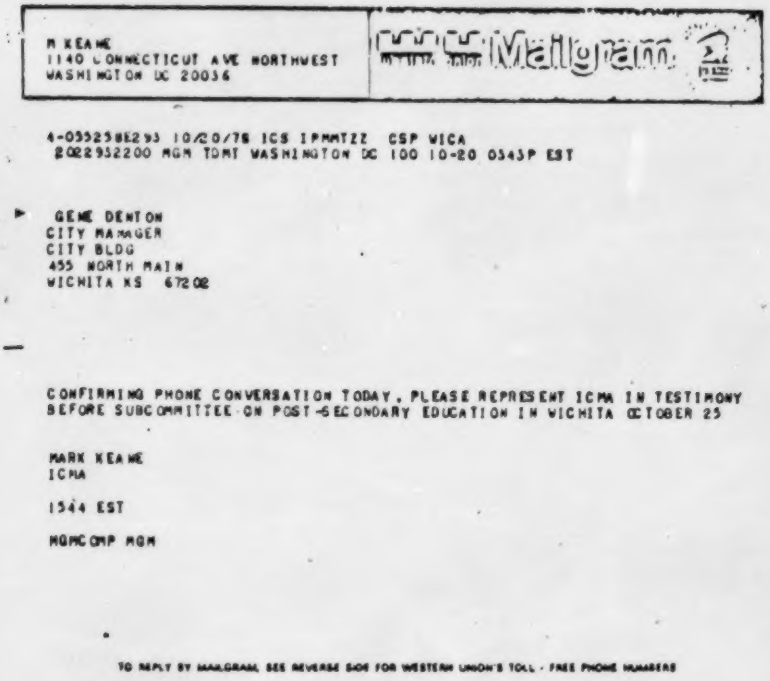
I am convinced that support of the urban university in the latter years of this century is the key to the survival of freedom, local home rule and steadily improving quality of life for our children in the next century. The time to expand the capacity of this national-city-university partnership has come and is awaiting our action.

Let us help you as a subcommittee bring this message to your colleagues in Congress. Tell us how we can assure passage of legislation benefiting the widest possible range of cities and universities in the near future. The professional staff of the City of Wichita pledges its support. It is joined by more than 3,000 professionals in the International City Management Association. The quality of life America's cities depends upon the success of the urban-university partnership we are building here today. ICMA and its members are willing to help.

Thank you,

E. H. Denton
City Manager
City of Wichita, Kansas

Attachment



M KEANE
1140 CONNECTICUT AVE NORTHWEST
WASHINGTON DC 20036

Mailgram

4-035238E293 10/20/78 ICS IPMMTZZ CSP WICA
2022932200 MGM TDMT WASHINGTON DC 100 10-20 0343P EST

GENE DENTON
CITY MANAGER
CITY BLDG
455 NORTH MAIN
WICHITA KS 67202

CONFIRMING PHONE CONVERSATION TODAY, PLEASE REPRESENT ICMA IN TESTIMONY BEFORE SUBCOMMITTEE ON POST-SECONDARY EDUCATION IN WICHITA OCTOBER 25

MARK KEANE
ICMA

1544 EST

MGMCOMP MGM

TO REPLY BY MAILGRAM, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR,
Lansing, Mich., July 27, 1978.

Hon. WILLIAM D. FORD,
*House of Representatives, Rayburn House Office Building,
Washington, D.C.*

DEAR BILL: Let me commend you on your introduction of H.R. 7328. This legislation will create greater incentives through the use of federal dollars to recognise and use the resources that are present in the nation's many urban colleges and universities in resolving the problems of the urban areas.

After reviewing this legislation, I appreciate the work you and the other members have done and the opportunity the committee has provided for testimony. Attached is a statement which reflects what I consider to be the importance of your legislation I hope you will review this testimony carefully and that it will be helpful to you in further understanding the impact this legislation can have in urban America.

Warm personal regards.

Sincerely,

BILL,
Governor.

STATEMENT BY HON. WILLIAM G. MILLIKEN, GOVERNOR, STATE OF MICHIGAN

Congressman Ford and members of the subcommittee: I am pleased to have this opportunity to present testimony in support of H.R. 7328, the Urban Grant Act.

Let me first take this opportunity to commend Congressman Ford for his efforts in introducing this legislation which I believe is an important new thrust in better utilizing and coordinating resources to tackle the problems of urban America.

The proposal to make Federal funds available to urban-based universities to work on the problems of the cities through resources and service programs is critical in the revitalization of our urban areas. One of the most important elements in addressing the problems of urban areas and attracting both business and residential growth is the development of a comprehensive and quality educational system. The elementary-secondary schools in our cities represent the best chance for young people to develop productive and satisfying lives. Higher education will open even more doors to further career progress and job opportunities.

All levels of education, K–12, 2-year and 4-year higher education, public and private schools have a potential for providing important preventive medicine rather than just remedial actions in dealing with urban problems, including crime, vandalism, health-care, and unemployment. In addition, universities and colleges possess a unique set of human resources for dealing with immediate problems and for providing new research and services for the citizens of urban areas. Urban universities may well be one of our most valuable untapped resources in dealing with the problems of urban areas.

HR 7328 offers the first major thrust for improving the relationship between these universities and all sectors of government. It would establish the Federal policy and declare that in the public interest the resources of urban higher education will be applied in a systematic and sustained manner to assist in solving urban problems. In the context of an overall urban policy, urban universities should be called upon to work on a local, regional, and national level with other private and public institutions to research, develop, and evaluate specific strategies for dealing with the persistent problems of financing, delivery, and effectiveness of public services in urban environments.

It is particularly fitting that Michigan be one of the states considered in this legislation because it is where the first land-grant college in the country began. Michigan Agricultural College, now Michigan State University, set a model for the nation in rural education. Its agriculture school remains among the best in the world. What we seek now is a model for urban education similar to the land grant program to meet the needs of the 1980's and 1990's.

It is important to emphasize that in all three components of this legislation, (1) program development assistance, (2) project assistance, and (3) comprehensive program assistance grants, local units of government should be involved in an integral way.

Only with their active participation can we assure that the issues being addressed by the research and services of the institution are relevant to the problems of the urban area and that the solutions are practical.

Equally important is the provision in this bill which would involve both public and private institutions of higher education. Without this cooperative effort, we will not be fully utilizing all of the resources available to us as a city or a state.

In all, Detroit has 13 institutions providing bachelor or graduate degrees and research efforts involving nearly 70,000 students. The major universities which would benefit directly under this legislation, Wayne State University and the University of Detroit, spend more than $175 million annually, represent a capital investment of $415 million, and employ 2,200 people.

Just as the students of these universities, who are predominately commuter students, take part in city life, so, too, do the universities have an integral role in Detroit's present and future. The urban universities affect in many ways the economics of the city. They are builders, major employers, consumers of substantial quantities of goods and services, users of city-subsidized services, property owners, and a complement and attraction to business and civic activities.

We cannot assume that money alone is the answer. The expenditure of dollars designated for specific purposes in H.R. 7328 will not automatically bring forward the solutions to urban problems. But it is not presumptuous or hopeful guesswork that I base my optimism on the outcome of this program. It is, rather, the fact that substantial urban-related resource capabilities and programs already exist at the institutions in our urban areas which make this effort so attractive.

In the case of Michigan and the city of Detroit, both Wayne State University and the University of Detroit have long been participants in urban life as well as active proponents of change. Each of our urban public and private institutions made significant contributions to the improvement of the urban habitat through innovative instructional research and public service activities.

Wayne State University has been involved in inventions involving the auto industry and some which have even revolutionized segments of the production of automobiles. Wayne State, through the use and addition of state dollars, is building a health clinic which will improve the services available to members of the urban community. Programs for the elderly and the young have all been helped by the decades of research of Wayne State University faculty and students. Most recently, Wayne State, in cooperation with the State of Michigan, has put together a center for professional growth and development. This center, which I have supported since its inception, may hold the key to one of our most perplexing problems in education, that is the development of effective inservice training programs for our school teachers. This center, as does the urban grant program, focuses on the requirement that all sectors of education and the community take part not only in the activities, but governance of its structure as well.

The University of Detroit has been a leader in cooperative education programs. The relationship between jobs and schooling has been given substance, not by a recognition of potential new programs in this area, but with a host of long-standing course activities. The dental school at the University of Detroit has served more than 90,000 patients, the psychology and law clinics have provided practical education for future professionals as well as needed medical and legal assistance to the cities' poor and needy. The 19 percent minority population at the University of Detroit reflects the institution's commitment to be a part of the city in which it is located. The most recent endeavor is the information of the Neighborhood Alliance Program to identify policies and encourage means to rejuvenate urban business areas with city and state involvement. Let me emphasize, these examples could be duplicated many times over by examining the operations of the other nearly 100 institutions providing educational programs at the postsecondary level.

A national urban grant universities' program could provide the stimulus of additional financial support which could catalyze those abilities in the existing activities and provide the incremental resources for coordination necessary to convert a myriad of programs into an effective urban strategy. I urge your support for H.R. 7328.

Office of the President

Boston University
147 Bay State Road
Boston, Massachusetts 02215

September 19, 1979

Congressman William D. Ford
Chairman
Subcommittee on Postsecondary Education
2368 Rayburn House Office Building
Washington, D. C. 20515

Dear Chairman Ford:

I was pleased to see that the Education Amendments of 1980, which you introduced on September 6, include your Urban Grant University Act (H.R. 3181) as a new Title XI. It is entirely appropriate that this legislation, aimed at increasing and supporting the essential contributions urban universities make to the vitality of our cities, should be an integral part of the Higher Education Act.

As you know, in July, 1978, I convened a conference attended by the presidents and representatives of approximately 50 major urban universities from throughout the country. In addition, seven national associations of colleges and universities were represented by observers. I enclose a list of the participating universities and associations.

The purpose of the conference was to help clarify the role of urban universities in helping to implement a national urban policy. In pursuance of this objective, the institutions attending the conference unanimously endorsed the Urban Grant University Act (at that time, H.R. 7328). Our endorsement reads:

> We endorse the enactment of H.R. 7328, introduced by Congressman William D. Ford, known as the Urban Grant University Act, which would authorize grants for urban universities to help in the development of educational, research and service programs and projects to meet the needs of urban areas.
>
> The strength of this measure lies in its recognition that urban universities have unique skills, talents and knowledge which must be applied in a systematic and sustained manner toward the amelioration of the multitude of problems that face the nation's urban centers. The enactment of this legislation would substantially enhance the ability of urban universities to fulfill their urban mission.

The universities that passed this resolution were: the U. of Akron, the U. of Alabama at Birmingham, American U., Boston U., Brown U., the California State U. and Colleges, Case Western Reserve U., the Catholic U.

of America, the U. of Cincinnati, City College of CUNY, the City U. of New York, Cleveland State U., the U. of Delaware, the U. of Denver, the U. of Detroit, the U. of District of Columbia, Drake U., Fordham U., George Washington U., the U. of Hartford, Howard U., the U. of Illinois at Chicago Circle, Indiana State U., Jackson State College, the U. of Kentucky, Long Island U., the Brooklyn Center of L. I. U., the U. of Louisville, the U. of Massachusetts, the U. of Miami, the U. of Minnesota, the U. of Missouri at Kansas City, New York U., the State U. of N.Y. at Buffalo, Northeastern Illinois U., Notre Dame U., Old Dominion U., the U. of Pennsylvania, the U. of Pittsburgh, Pratt Institute, Rutgers U., Saint Louis U., the U. of Southern California, Temple U., the U. of Tennessee at Nashville, Virginia Commonwealth U., Washington U., Wayne State U., and the U. of Wisconsin at Milwaukee.

So far as I know, this conference is the largest, most influential and most representative cross-section of urban universities to have thus far endorsed your legislation. If you can make use of our endorsement in any way, I hope that you will do so. The universities represented at the conference were strongly committed to the passage of the Urban Grant University Act and, in my opinion, will regard the enactment of the new Title XI as one of the most important steps that Congress could take to further focus the energies and resources of urban universities on the problems of the cities.

Please let me know if there is anything that I personally can do to achieve this objective.

With best wishes,

Yours sincerely,

John R. Silber

John R. Silber

JRS/w
Enclosure

CONFERENCE OF URBAN UNIVERSITIES
Washington, D. C.
July, 1978

Participating Universities Which Endorsed the Urban Grant University Act

The University of Akron

The University of Alabama at Birmingham

American University

Boston University

Brown University

The California State University and Colleges

Case Western Reserve University

The Catholic University of America

The University of Cincinnati

The City College of the City University of New York

The City University of New York

Cleveland State University

The University of Delaware

The University of Denver

The University of Detroit

The University of the District of Columbia

Drake University

Fordham University

The George Washington University

The University of Hartford

Howard University

The University of Illinois at Chicago Circle

Indiana State University

Jackson State College

The University of Kentucky

Long Island University

Long Island University, Brooklyn Center

Participating Universities (cont.)

- The University of Louisville
- The University of Massachusetts
- The University of Miami
- The University of Minnesota
- The University of Missouri at Kansas City
- New York University
- The State University of New York at Buffalo
- Northeastern Illinois University
- The University of Notre Dame
- Old Dominion University
- The University of Pennsylvania
- The University of Pittsburgh
- Pratt Institute
- Rutgers University
- Saint Louis University
- The University of Southern California
- Temple University
- The University of Tennessee at Nashville
- Virginia Commonwealth University
- Washington University
- Wayne State University
- The University of Wisconsin, Milwaukee

Participating National Associations (Non-Voting Observers Only)

- American Association of State Colleges and Universities
- Association of American Colleges
- Association of American Universities
- Committee of Urban Program Universities
- Council for the Advancement and Support of Education
- National Association of Independent Colleges and Universities
- National Association of State Universities and Land-Grant Colleges